

AMERICAN NEWS

The Boss's ghost stalks Chicago City Hall

Richard Daley Jr is pushing ahead in mayoral race, Deborah Hargreaves reports

AS THE snow flurries buffet Daley Plaza in downtown Chicago, the windy city appears ready to add another Daley to its folklore.

Richard Daley, who presided over City Hall for 22 years, is pushing to the front of the race for mayor this year.

Benefiting from the disarray in the black community, Mr Daley looks set to beat the black incumbent, Mr Eugene Sawyer, in the Democratic primary today.

Although Mr Daley senior died 13 years ago, his memory as a benevolent dictator, steering the city through the battleground of the 1960s, is still fresh in the minds of Chicago's voters.

His son is seen as belonging to the same tradition, which is a mark of his appeal to an electorate eager for a return to strong leadership that will tackle some of Chicago's entrenched problems.

If Mr Daley wins, it would constitute an unprecedented upset for a black incumbent in a big US city. Chicago's black community - with 43 per cent of the population, the largest racial group in the city - stands to benefit.

Both candidates admit they are not "real" virtuosos, but some of Mr Sawyer's more vocal supporters have made up

for his lack of eloquence with their own injudicious pronouncements. Labelling Mr Daley as an outright racist, several of Mr Sawyer's supporters have declared that anyone voting for him should be hanged, and that if Mr Daley was elected they would close the city down by protests in the streets.

These much-publicised statements have damaged Mr Sawyer's standing with a key group of voters, the so-called "leftfront liberals", who are generally young, white, mid-

die-class voters who live on the attractive Lake Michigan side of town and whose support was crucial in Mr Washington's 1983 victory.

The third candidate for the primary, a white reformer with support among the lakeside liberals, Mr Larry Bloom, dropped out of the race a week ago and threw his weight behind Mr Sawyer. But Mr Daley, with his pledge to reform Chicago's rambunctious city council, appears to have captured the imagination of the liberals.

He has affirmed his support for council reform based on the findings of a recent critical report by a group of civic business leaders. It claims the Chicago city council is the largest, most costly municipal legislative body in the country.

Mr Daley has also been firm in his support for reform of Chicago's schools and his commitment to law and order.

But he has not been free of controversy. The Sawyer campaign claims his office has discriminated against minorities in its hiring practices and in favouring legal work. At the same time, several members of Mr Daley's office have been indicted by a special prosecutor for allegedly forging signatures on a petition he filed for electoral reform in 1983. Critics say Mr Daley turned a blind eye.

In the grand tradition of his hellbore father, Mr Daley has



Richard Daley wants to drive the old man's machine

risen above these quibbles and is ahead in the polls. If he wins the primary, he will face a run-off with Mr Timothy Evans, a black candidate on an independent reform ticket.

Anything other than a Democratic victory in the election proper on April 4 is unthinkable in Chicago. Nevertheless, one of the city's most colourful long-time politicians, Mr Ed Vrdolyak, has allowed himself to be drafted to run for the Republicans. Some 15 years ago, "Fast Eddie" Vrdolyak was the wonder child of the Chicago Democratic Party machine. However, his mayoral ambitions were thwarted by the upsurge of black voting power and the election of Mr Harold Washington.

Mr Vrdolyak defected to join a rather uneasy Republican Party, where he has since failed to win office. He nurtures an intense rivalry with Mr Daley, whose mayoral chances he could damage by siphoning off enough white votes to put Mr Evans in.

However, Mr Daley is confident of carrying his father's torch into City Hall. Described by a local commentator as having as much charisma as a plate of corned beef and cabbage, Mr Daley has long been looking to shake off the larger-than-life shadow cast by his late father and hopes to become "Boss" in his own right.

Venezuela seeks to renegotiate bank debt

By Joe Mann in Caracas

VENEZUELA will ask international banks for new restructuring agreements on all its non-trade-related foreign debt, including public and private sector obligations.

Mr Pedro Tinoco, president of Venezuela's central bank, said on Sunday the Government was advising creditor banks that it would pay interest and principal on private sector foreign debt until February 28 and that thereafter it would negotiate new terms on repayment of principal and interest for both public and private sector foreign debt.

Venezuela will thus be seeking new terms on its total foreign debt, estimated at around \$38bn. At the end of December, the Government declared a moratorium on principal payments for most of its \$25.6bn in foreign debt, with effect from January 17.

Mr Tinoco said the Government's strategy was to seek new grace periods for principal and improved terms for interest repayments to lighten the debt service burden. It also wants to take advantage of the discount on Venezuelan government debt now prevailing on international markets.

El Salvador rebels debate Duarte's offer to delay polls

By Richard Johns in Mexico City

THE leadership of the Farabundo Marti National Liberation Front (FMLN) was yesterday considering its response to President Jose Napoleon Duarte's offer of a six-week postponement of El Salvador's presidential elections, which are scheduled for March 19.

In a broadcast on Sunday Mr Duarte said that his Government was prepared to start peace talks with the FMLN in Guatemala if the guerrillas honoured a ceasefire from today until he steps down on June 1.

The president's offer was a reply to the FMLN's far-reaching proposals for a ceasefire and participation in elections. No immediate reaction was available from the FMLN office in Mexico City but it seemed the Government's compromise would certainly be regarded as inadequate by the guerrillas.

The FMLN argued a week ago in talks with El Salvador's political parties at Coxtepeque, near Mexico City, that it needed five months after a ceasefire to organise itself for the "political struggle" in support of the Convergencia Democratica. This is the left-wing alliance to which the guerrillas are affiliated.

Mr Duarte, sticking to the letter of the law, proposed a plebiscite on a modification of the constitution which says that the next presidential elections should take place no less than two months before June 1 and that El Salvador's armed forces are obliged to depose an incumbent head of state if he is still in power on that day.

Mr Duarte invited the National Assembly to choose three representatives to join the government commission appointed to negotiate with the FMLN and asked all parties to send observers.

He said the Government and the FMLN should achieve a "cessation of hostilities in a definitive form", so the guerrillas could be integrated into political and civilian life.

After last week's talks party representatives recommended an immediate start to negotiations between the Government and the FMLN.

One substantive breakthrough was the FMLN's readiness to drop its long-standing demand for the integration of its 6,000-7,000 fighters into the armed forces. But it wants the military establishment reduced from 57,000 to the pre-war strength of 12,000 in 1979.

Argentine price control agreement in jeopardy

By Gary Mead in Buenos Aires

THE leaders of Argentina's largest manufacturers will today argue for their withdrawal from the price-control agreement forged with the Government last August.

Mr Eduardo de la Fuente, president of Argentina's Industrial Union, which represents the manufacturers, said he would recommend withdrawal. He said the Government had failed to consult the UIA, as agreed, about price increases for March. Since last August the UIA and Government have met regularly in a supervisory prices committee which has determined permitted monthly price increases.

Mr de la Fuente attacked the Government's "failure to attack the root causes of inflation" and called recent rises in interest rates to a monthly 40 per cent "ridiculous".

He added that on three occasions he had tried to contact Mr Carlos Bonvecchi, who, as Domestic Trade Secretary, last week announced an automatic price increase ceiling of 7.5 per cent for March, without consulting the supervisory prices committee.

This latest blow to President Raul Alfonsin's hope of maintaining monthly inflation below 10 per cent before the presidential election on May 14, comes after several weeks of bitter exchanges between the UIA and the Government.

Leaders of the opposition Peronist Party announced at the weekend that the main themes of their presidential campaign would be a call for a "negotiated moratorium" on Argentina's \$60bn foreign debt and a "productive revolution" to develop the country.

Costa Rica may have dropped buy-back plans

By Stephen Fidler, Euromarkets Correspondent

COSTA Rica appears to have abandoned plans to negotiate a buy-back of its foreign bank debts using donated funds from friendly governments.

A similar device had been used by Bolivia which bought back some \$34m of its own bank debt last year in the secondary market for bank loans at an average price of 11 cents on the dollar.

According to the commercial bankers, the country's attempts to raise donor funds had not apparently met a strong response.

Costa Rica is defined as a middle-income country, unlike Bolivia which is among the poorest on the continent. Bolivian donors, led by the US, were using the donations to encourage a crack-down on the cocaine traffic out of Bolivia.

Bankers estimate the country has some \$1.4bn in bank debt out of a total of some \$4.7bn. Its loans trade at around 13 cents on the secondary market. The country's leading creditor banks led by Bank of America are meeting government representatives this week to discuss the options.

Costa Rica's president, Mr Oscar Arias, said last week the country would find it very difficult to meet a demand by the International Monetary Fund that it cut public spending in return for a new debt accord.

Campaign to tighten laws on pesticides launched

A STUDY has found that allowable pesticide traces in farm produce cause cancer and nerve damage in children, a US consumer watchdog group said yesterday as it announced a campaign to tighten pesticide laws. Better reports from Washington.

"The results of this study, as they began coming in, were extremely alarming; that children were far more at risk than adults from the impact of pesticides, that our system of regulation had completely overlooked children... and that the Environmental Protection Agency (EPA) and industry were arrayed against any reform in the field," said Mr John Adams, executive director of the Natural Resources Defence Council (NRDC).

The non-profit group said its two-year study found that 5,500 to 6,200 children now aged five or younger would develop cancer during their lives as a result of pesticide residues in fruits and vegetables.

It said at least 3m children five years old or younger were now being exposed to pesticides able to damage their nervous system at levels above those called safe by the federal government.

The group said its study, covering 23 pesticides and 27 common fruits and vegetables, was the most comprehensive performed on the problem to date.

It said previous studies underestimated exposure risks for children because they assumed children and adults ate similar amounts of fruit relative to their body weights.

Virginia radioactive leak

VIRGINIA POWER, owned by Dominion Resources, performed an emergency shutdown at the weekend of one of the units at its North Anna power station after a radioactive leak was detected in a steam generator, writes Anthony Harris in Washington.

The same generator suffered a pipe fracture in July 1987, releasing radio-contaminated water at some 500 gallons a minute; the new leak was about a tenth of this scale. Both were safely contained although the latest incident, which appears to have originated in a failed feedwater control valve, resulted in a small release of radioactive gas to the atmosphere.

Meanwhile Philadelphia Electric, which is seeking to reopen its Peach Bottom nuclear power station, announced a legal agreement which will bind it to tougher management and reporting requirements. It will allow Virginia state to monitor plant operations.

The company will submit new operating procedures to the Nuclear Regulatory Commission, which closed the plant in March 1987, citing safety violations and operator inattentiveness at the plant.

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WORLD TRADE NEWS

Departing Eximbank chief accords little credit to US Government

Recent policy is seen as having contributed to a loss of international competitiveness, write Peter Montagnon and Nancy Dunne

AN UNENVIABLE task awaits the still-to-be-named successor to Mr John Bohn, who leaves the post of president of the US Eximbank for greener pastures next week.

In the past seven years, its budgetary authorisation for direct credit lending in support of exports has dwindled to \$655m (3395m) from \$5.4bn. In January it was forced to announce a cessation of all new direct-loan approvals because no money was made available at all in Mr Reagan's budget for the fiscal year beginning in October.

aid used quite legitimately by competitors such as Japan have seriously undermined the ability of US exporters to compete in markets such as Thailand, Indonesia and China.

more attractive mixed credits was encouraging telecommunications companies to move offshore. Mr Robert Smith, assistant treasurer of General Electric, said his company was forced to source exports abroad to take advantage of the more competitive financing offered by foreign governments.

as its sole source of funds means it will be able to continue functioning even after its capital is exhausted. The provision of some as yet unspecified funds in the budget of President George Bush means it will soon be able to resume its direct lending programme, but a great deal of uncertainty remains.

Senator Patrick Leahy, chairman of the Foreign Operations sub-committee responsible for Eximbank, told the conference this week he was a strong supporter because other countries had made it clear they would continue their export subsidies. "Some countries have been getting a free ride as a result of US policies," he said.

Mr Bohn cited two beacons of hope. The first was that export credit agencies generally might play an increasing role in any new policy to deal with the developing country debt crisis. The second was that Eximbank might eventually be drawn in to play a role in reversing the decline in US international competitiveness, which is still the subject of much agonised debate in Washington.

Governments' policies 'may be benefiting world merchandise trade'

By William Dullforce in Geneva

WORLD MERCHANDISE trade may be benefiting from a favourable correlation of growth opportunities and sensible government policies.

1988. In its preliminary report on 1988/89 international trade, released yesterday, the Gatt secretariat lists three more conventional factors behind the surge in the past 13 months that has carried the volume of world trade to nearly 40 per cent above its 1982 recession level.

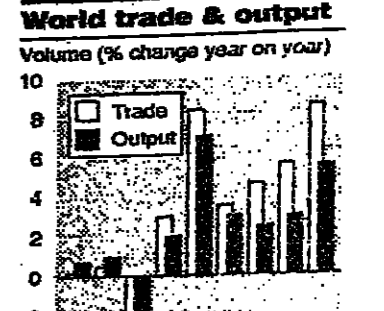
ment in 1988 in the OECD area - which has prompted big gains in trade in capital goods. The third encouraging characteristic is the current trade growth's relatively broad base across both products and countries.

ones. However, the Gatt secretariat suggests that more fundamental forces are also at work. Among expanding growth opportunities for business it lists the moderate annual increases in unit labour costs in manufacturing and the decline by more than half in the real price of fuels since 1981.

in governments' policies towards making their economies more competitive and flexible. The elimination of barriers to regional trade, activated as in North America or planned as in the European Community, means that stronger demand is being "spread around", allowing more countries to share in the growth and helping to keep the lid on price increases.

demonstrates that in the context of a strong expansion in world trade the relative magnitudes of the adjustments needed can be accommodated without excessive difficulty.

nearly \$24m (£15.5bn). However, Gatt notes, this favourable trade development was accompanied by a slowing in per capita income growth, rising interest rates on debt and the absence of fresh capital inflows.



World trade & output Volume (% change year on year)

The dynamism of world trade during a period when the current economic boom was widely considered to have passed its peak has surprised the Gatt economists, who only six months ago were still forecasting a 5 per cent increase in

One is moderate inflation, which does not carry the symptoms of the widespread overheating that characterised the situation before the last world recession.

Unlike the 1984 trade boom, largely triggered by the import demand from just one country, the US, the 1988 expansion was boosted by accelerated imports from a broad section of countries, including developing

Among the negative features of 1988 was the lack of sizeable cuts in the trade surpluses of Japan and West Germany, but the US reduced its current account deficit without depressing world output and trade.

This, the Gatt report claims, demonstrates that in the context of a strong expansion in world trade the relative magnitudes of the adjustments needed can be accommodated without excessive difficulty.

Developing countries, apart from the oil producers, made an above-average contribution to the acceleration in trade growth last year, with volume increases of 12 per cent in imports and 10 per cent in exports.

One aspect of the report, breaking down trade growth by regions, reflects the dynamic expansion in the Pacific area. The fastest growth, over 30 per cent in value, was in trade among the West Pacific nations.

In second place, with a value increase of over 20 per cent, came trade between North America and the West Pacific. In contrast, transatlantic trade

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China order for Snamprogetti SNAMPROGETTI, the Italian plant engineering subsidiary of Italy's state-owned ENI group,

Japan to alter chip price monitoring JAPAN has decided to alter its monitoring of overseas computer-chip prices, one of the key provisions of a semiconductor agreement between it and the US,

Japan to alter chip price monitoring

JAPAN has decided to alter its monitoring of overseas computer-chip prices, one of the key provisions of a semiconductor agreement between it and the US, an official said yesterday, AP reports from Tokyo.

China order for Snamprogetti

SNAMPROGETTI, the Italian plant engineering subsidiary of Italy's state-owned ENI group, has won a L600m (£38m) contract to build a polyethylene plant in China.

US tank navigation order for UK group

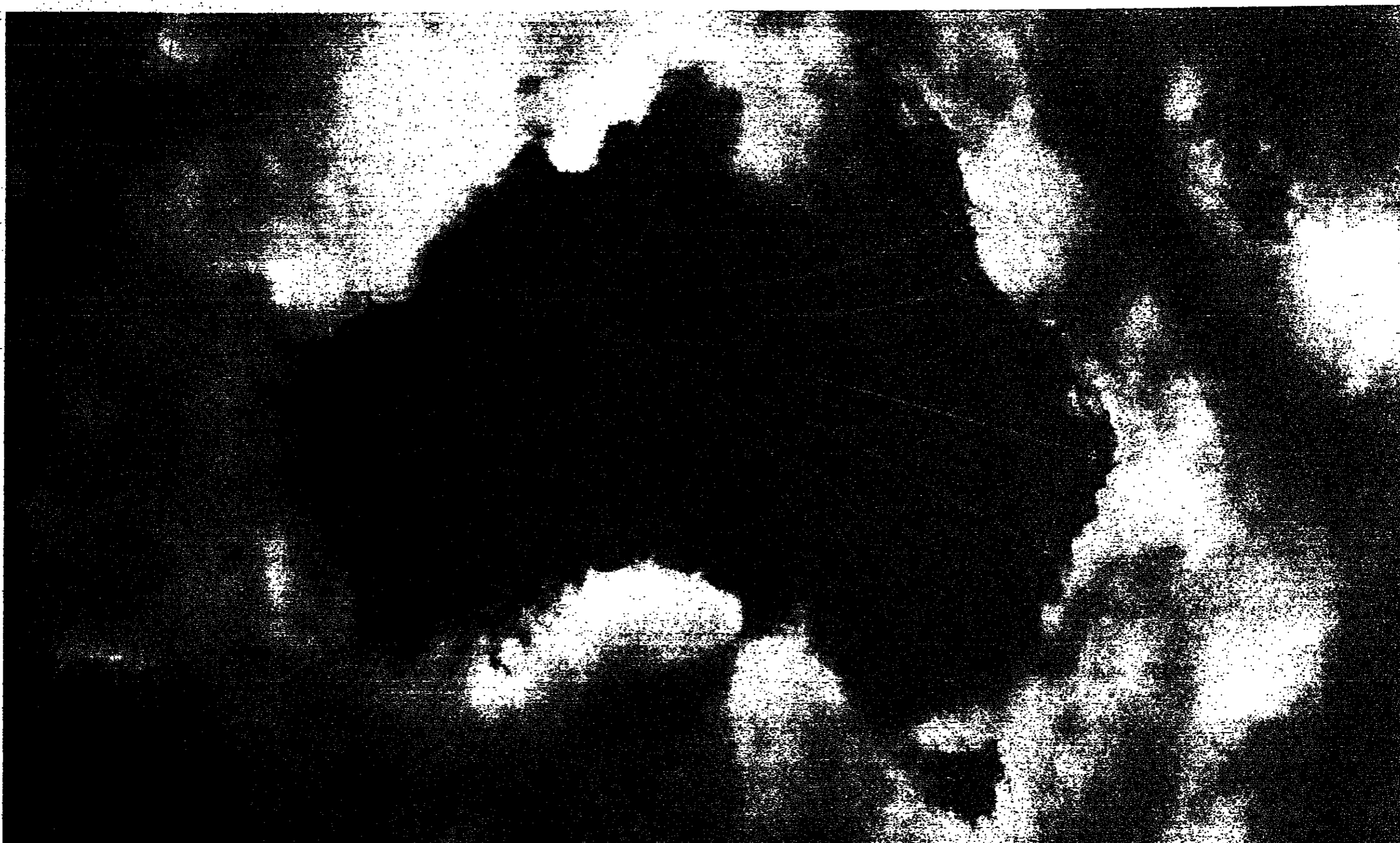
GENERAL DYNAMICS, British industry manufacturers of the US Abrams series of tanks, has chosen Smiths Industries, the British aerospace and instrumentation group, to develop a positioning and navigation system for its next model, the M1A2.

French airline in \$300m deal to buy Fokkers

FOKKER, the Dutch aerospace group that is interested in buying Short Brothers of Belfast, has won a \$300m (£168m) order for eight Fokker-100s and an option for four more from France's Transport Aérien Régional (TAR).

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UK NEWS

Cool response to Ashdown pact from Owen

By Philip Stephens, Political Editor

ATTEMPTS by Mr Paddy Ashdown, the Liberal Democrat leader, to forge a limited electoral pact in Britain with the rival SDP drew a cool response yesterday from Dr David Owen, the SDP leader.



Ashdown: basis for agreement

The Democrat offer represented an improvement of its former position of attempting to "strangle" the SDP and would be discussed at a meeting of the SDP's National Committee next month, Dr Owen said.

Mr Ashdown hopes the idea will provide the basis for agreement on a single candidate to fight the forthcoming by-election in the Vale of Glamorgan. That hope won support last night from the South Glamorgan County Council SDP leader Mr Tony Jeremy who said he was "absolutely convinced" the two parties should field a single candidate.



Owen: offers little new

Dr Owen also indicated that his main political goal in the run-up to the general election by 1992 would be to establish a wider "constitutional coalition" including the Labour Party - to defeat Mrs Margaret Thatcher.

down's request that the two parties reopen merger talks. The Democrat leader said he was still in favour of merger, but he believed that neither party could afford the luxury of a "destructive stalemate". Under those circumstances he believed that local constituency parties should be allowed to cooperate to select single candidates at by-elections.

Summonses issued in Marconi inquiry

By David White and Raymond Hughes

YEARS of investigation into alleged overcharging by the GEC-Marconi defence group in contracts with the Ministry of Defence culminated yesterday with the issuing of summonses against three of the group's companies and the arrest of three former senior executives and one current employee.

Demand for quality IT raises prices

By Alan Cane

A SHORTAGE of quality British information technology (IT) companies is pushing selling prices to very high levels, as a growing wave of consolidation and rationalisation continues to reshape the UK computer industry.

Government to take £390m Shorts debt

By Michael Donne, Aerospace Correspondent

THE Government yesterday took a big step towards the privatisation of Short Brothers, the Belfast aerospace group, by taking over the company's £390m debts with the commercial banks.

SGST moves into equity markets for the first time

By Nick Bunker

SGST Securities, the London stockbroker better known as Société Générale Strauss Turndorf & Partners, has moved into equity markets for the first time later this year, in spite of the losses incurred by established market-makers in the last year.

Concrete companies face OFT action for contempt

By Andrew Taylor, Construction Correspondent

The Office of Fair Trading has begun contempt proceedings in the Restrictive Practices Court against four UK ready-mixed concrete companies and five executives.

SWITZERLAND

The Financial Times proposes to publish this survey on: 25th April 1989. For a full editorial synopsis and advertisement details, please contact: Patricia Surridge on 01-248 8000 ext 3426

Casting doubt on the parity of City rules

Katherine Campbell examines First Interstate's decision to spin off its securities arm

WHEN the UK authorities built the City of London financial regulatory edifice founded on the 1986 Financial Services Act, they were particularly keen to avoid regulatory arbitrage - shopping around by financial services companies to get the easiest overseer.

cast doubt on the declared aim of the current regulatory regime to treat institutions in the same business equally. It felt that establishing a separate vehicle would enable it to operate in the Eurobond market more cheaply because of differing capital requirements.

the amount of capital which businesses must hold. Banking regulators traditionally have a flexible system of setting minimum capital levels, while securities regulators have a set of sophisticated but rigid formulae for assessing the risks of different classes of assets.

risk requirements only after 30 days. As far as the Bank of England is concerned, however, such underwriting positions fall squarely into the realm of its large exposure policy, whereby the maximum exposure to one party should not exceed 25 per cent of the firm's capital.

The more extensive are the securities activities, clearly the less favourable it is. Mr Lord estimated that the securities side of First Interstate contributed about 20 per cent of the UK operation's profits.

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UK Customs to review its rules for exporters. By Peter Montagnon, World Trade Editor. HM Customs and Excise is to review its procedures for checking exports in an effort to make them simpler for business to comply with.

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STARS. Securities Transferred and Repackaged Limited. DM 300,000,000. Deutsche Mark Floating Rate Notes due 1996.

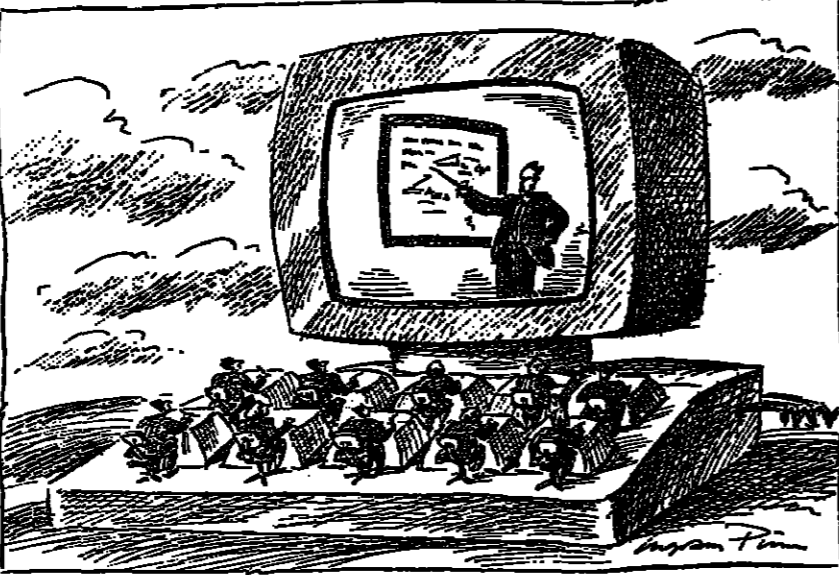
J.P. Morgan & Co. Incorporated. DM 400,000,000. Floating Rate Subordinated Notes of 1985/1995.

TECHNOLOGY

Businesses in the UK will this year spend nearly £7bn on training materials. Of that about one per cent will be spent on high technology courses, such as computer programs or video disks, and that amount is growing rapidly.

Working out the value of training on screen

Della Bradshaw finds out why companies are turning to computer-based courses



Companies which have invested in high technology training - learning in the workplace using a computer terminal rather than in a training centre with a teacher - argue that it produces better qualified staff for less money.

One such example is Britain's largest building society, the Halifax. Liberated by the Financial Services Act, it has greatly increased its range of services. Adrian Poole, project leader of the interactive training programme (Hit), says that staff in 750 branches have had to learn about more than 100 new services, including mortgages, insurance, personal loans and credit cards.

By the end of this year, the Halifax will have spent £5.2m on hardware and software to train 15,000 staff. The two mainstays of its operation are:

- Computer-based training, where a program stored on personal computer (PC) disk instructs and tests students who respond via the keyboard.
 - Interactive video systems, where a combination of video pictures and computer graphics is stored on a laser disk, which is used with a PC. For example, the Halifax is developing a disk to educate staff about the current account service which it will launch later this year.
- Interactive video is better for courses where inter-personal skills need to be demonstrated, such as dealing with customers. The cheaper computer-based systems are suitable for product information. A single video disk program, giving about one hour of teaching, would cost about £40,000 to develop, compared with about half that for a computer program.
- A third computer-based system is digital audio. A CD-Rom, combining voice and data on one disk, gives voice prompts related to instructions or information appearing on screen. British Telecom (BT) is using this system to train its operators to use computerised telephone exchanges. The voice element simulates an incoming emergency call and, as the operator reacts, prompts and information appear on the screen as they would in an actual emergency.
- BT estimated that it would have cost £40m if its 20,000 operators had been gathered together in classrooms and taught by teachers. Most of the expense would have been incurred as lost working time while operators were taken away from their positions. The CD-Rom system has cost BT £4m.
- Another advantage is that a disk contains the relevant information about

a product or service can be sent simultaneously to all branches, so that all staff are trained at the same time, to the same standard.

The throughput is also much higher than with traditional methods. In the 18 months since the National Westminster Bank introduced computer-based training, 15,000 employees have studied 118,000 sessions.

Because the training is one to one, between student and terminal, retention levels are high and each student goes at his or her own pace. If there are difficulties with part of the course, the student can repeat the relevant section, and the material is always available for revision.

Other companies which have opted for computer-based learning include Ford, Shell International and several of the banks. Alan Ballinger, marketing director of Applied Learning, one of the biggest suppliers of off-the-shelf computer-based training packages, says the market has gained momentum over the past two years and will grow by 40 per cent in 1989. Nearly 80 per cent of the packages sold by his company are for training staff to use computers.

Although generally in the lead in technology applications, the US is only neck and neck with Europe in implementing computer-based training. Last

year US companies spent £240m on software packages for computer-based and interactive video systems. The UK spent £42m, according to Ballinger.

However, companies such as NatWest and the Halifax agree that some areas, including management training and "grey" areas where there is no right or wrong solution, are still better achieved face to face in a classroom.

Before plumping for microcomputer-based training, the Halifax considered two other options. The first was to put training programs on the society's main computers, so that users of terminals in the branches could dip in as required. The Halifax decided against that, according to Poole, because the 9,000 terminals were in almost constant use for business.

The second option was to use a public videotex network, such as Prestel in the UK, but the Halifax felt this was too slow.

One organisation which has taken that route is the Association of British Travel Agents (Abta). It will launch a range of courses for its member travel agents in April aimed at new staff. The courses include introductions to cruising, skiing, hotels and so on.

David Ferguson, computer-based training manager for Abta, says videotex was the obvious choice because it

was "the lowest common denominator" among travel agents. The travel industry has more than 7,000 videotex terminals, used to obtain information and make reservations.

Ferguson believes videotex-based systems are limiting because only numbers can be tapped in, not letters. As a result, the Abta training courses include workbooks, as well. Because the main course is held on a central computer, which the student can only get into over a telephone line, call charges can make the system expensive.

Being a pioneer of new technology, such as interactive video, can have its drawbacks. At the moment there are relatively few suppliers of either hardware and software - the Halifax package was put together by Phillips, and other video disk suppliers include Sony and Pioneer.

So far, manufacturers have not been able to agree on standards for the equipment, in particular for the interface between the personal computer and laser disk player. In Europe most companies are using a system developed by Videologic, of Watford in the UK, whereas in the US most manufacturers are following an IBM standard.

The American trade body, the Interactive Video Industries Association (IVIA), and its UK equivalent, the National Interactive Video Centre (NIVC), are working towards an international standard, but that remains some years away. In the meantime companies such as Videologic are developing software to enable the transfer of "courseware" from one system to another.

Software can also solve the problem of incompatible video recording standards in the US and Europe, notably different frame rates and line numbers - 625 lines in the UK compared with 525 lines in the US.

Another more human problem is that it is one thing to install the equipment and another to ensure that it is used, particularly if staff are expected to participate in their free time. And, without testing, it is difficult to gauge whether the information has sunk in.

B&Q, the do-it-yourself chain, has installed "open learning" in its 238 stores and has monitored progress. Janet Rubin, personnel director, says that successful implementation depends on the degree of local commitment. "Local management have to be behind it. They have to take the time to see the value of it."

Monitoring of trials at NatWest shows that learning by computer is as good if not better than that done in a classroom. The bank has solved the problem of allowing staff time for the courses by establishing local training centres in certain branches. Employees travel to these during working hours to do the courses. This means they are not interrupted and called back to their desks. Shared use of training equipment also reduces costs.

Poole, at the Halifax, does not favour testing to monitor how well (or badly) the branch staff are assimilating the information. "The objective is not for people to fail, but for people to learn."

Advance in the war on rust

AN IMPROVED means of fighting rust has been developed by ICI Specialty Chemicals of Belgium and is available in the UK from the company's Leatherhead offices.

Known as Abrust, the anti-corrosion fluid is aimed at companies serving both the industrial maintenance and DIY markets.

The basis of the product is a novel chemical which is a chelating agent (an organic substance which reacts with rust) in an acid medium. This forms a more stable, water-soluble layer than that provided by currently available rust converters.

Formulations using Abrust also act as good passivating primers (passivation masks the electro-chemical processes that go hand-in-hand with rust formation).

After the removal of loose rust, treatment consists of washing the surface and then painting it with the Abrust-based product. Drying takes a few minutes and a dark purple film is formed.

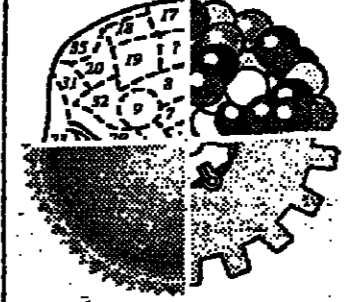
During testing, specimen formulations were applied in a single brush coating to wire-washed, pre-rusted, cold-rolled steel plate. In standard salt-spray tests, the company says that the formulations "far out-performed even the best of the traditional rust conversion products after 500 hours."

New lubricant for plastics

AS PLASTICS continue to replace metal in engineering applications, attention has focused on lubrication problems, particularly where self-lubrication is inadequate.

In response, Dow Corning, the US-based materials group, has developed a range of products called Molykote Plastilip. The company says that conventional lubricants are often unable to meet the requirements for specific pairs of materials rubbing together. Questions of load bearing, wear and chemical resistance are involved for many types of plastic.

Molykote Plastilip is based on silicones and synthetic, or partially synthetic, oils. It can be tailored to a large number of possible material pairings as well as many variations of temperature, speed and load.



WORTH WATCHING

Edited by Geoffrey Chartish

Software sounds out the enemy

PLESSEY, of the UK, has found a way to improve the performance and extend the life of a system that locates enemy artillery.

The technique, called gun sound ranging (GSR), makes use of seven special microphones deployed across 10 km of the front line. These are connected by radio to a rearward command post.

The microphones listen to enemy gunfire and the arrival times of the sound enable the location of the opposing battery to be worked out. Such systems only emit radio signals for very brief periods, so their presence is unlikely to be given away.

A problem, however, is that on today's battlefields, more information about opposing artillery is needed, more quickly. The 130 GSR systems in service require seven pen traces to be read manually and the information must be keyed into a computer.

Even with computer assistance, interpreting the results is time-consuming. So Plessey Defence Systems has built a digitiser to extract data from the traces semi-automatically and has written software for handling and interpretation.

The company claims a five-fold increase in data handling speed, greatly reducing the time it takes to decide on the appropriate artillery response. During action, data on more than 100 enemy locations can be stored and displayed.

Plessey believes that the enhancements will extend the useful life of sound ranging, which dates from the First World War, to the end of the century. It has an initial order from a Far Eastern country.

Fireside market research

AN ATTEMPT is to be made by the market research company A. C. Nielsen to log the effectiveness of television advertising in the UK by supplying 10,000 households with hand-held data collection terminals.

These will be used to record opinions by day and to send and receive data cheaply at night. The programme will also gather market research information of interest to manufacturers, retailers and media companies.

The project has brought £2.7m of business to the US-based Telxon Corporation, which will supply the terminals and 10,000 modems, which will allow data to be sent in both directions without the telephones ringing in the 10,000 households.

The company says that this "ring suppression" feature is unique and is attracting the attention of other organisations that need to send and collect information in this way.

Sales-people, for example, while sound asleep, can send their orders to headquarters and receive tomorrow's instructions and information, which can be brought up on the terminal's small screen the following morning.

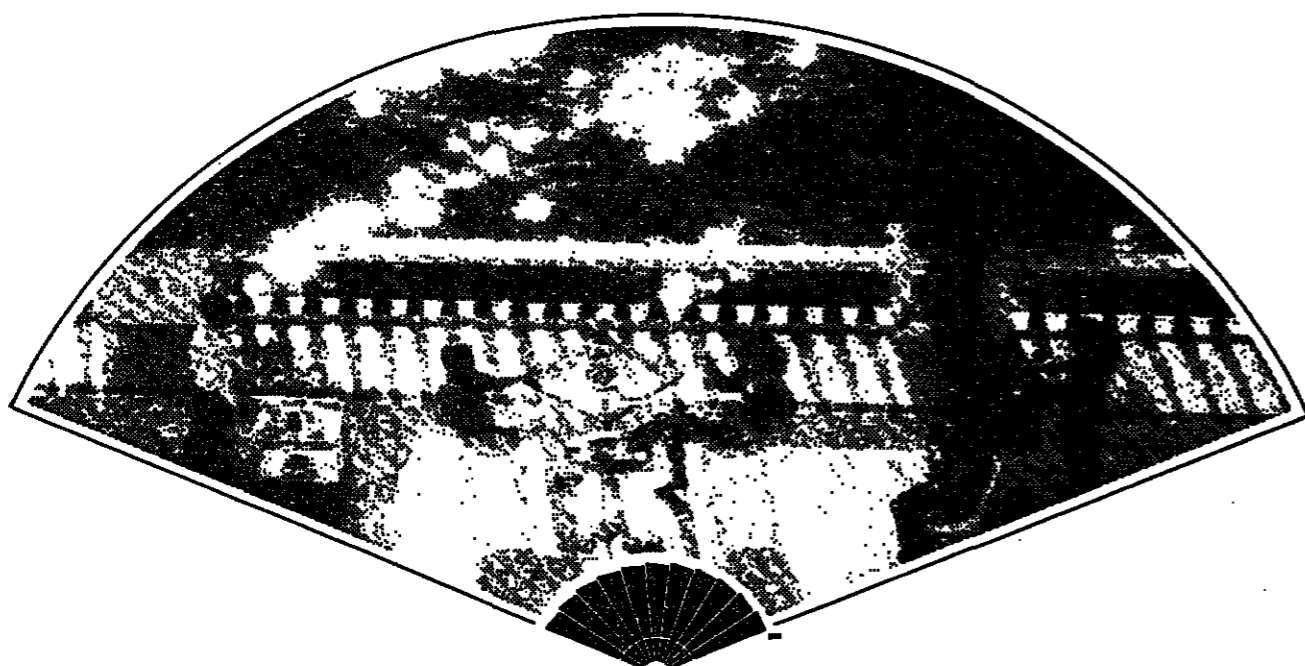
Tracking the cost of photocopying

WHEN IT comes to allocating the costs of photocopying to the departments, partners or members of an organisation who share a machine, the administration is often thought to be too difficult. Simple, fixed allocations of cost are often inaccurate.

A device developed by Allied Business Supplies in Belfast, with assistance from the Small Business Agency for Northern Ireland, can be connected to any make of machine and can be operated by card or by a personal identification number. It identifies who has copied, from which department, on which copier and at what cost. It also produces invoices.

CONTACTS: ICI Specialty Chemicals: Belgium, 2 7365501 or in the UK on 0372 376222. Dow Corning: UK office, 0734 507251. Plessey: London, 55 8347. Telxon: UK office, 0222 682990. Allied Business Supplies: UK, 0232 471612.

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MANAGEMENT: The Growing Business

Lobby groups seek privileges in the Budget

Recent budgets have been something of a disappointment for Britain's small firms lobby groups. Minor modifications in the way VAT is collected and some helpful adjustments to the inheritance tax rules have been made. But radical new initiatives to help the growing business have been lacking.

For this reason, reducing the tax burden forms an important part of many of the submissions. An increase in the rate of company tax from 33 per cent to 35 per cent, which would be the net-of-point raised from profits of £100,000 to £250,000.

The National Federation has a proposal to help small businesses contest those tax inspectors' decisions which they believe to be unfair. At present the taxpayer cannot claim his costs if he is successful in an appeal so many pay up even if they do not agree with the assessment. The Federation wants the taxpayer to be given the right to claim costs as is already the case with VAT appeals.

A different solution to the problem of the shortage of loan funds is proposed by The Association of Independent Businesses, which has 9,000 members. It wants to encourage large companies to invest in small ones by allowing the larger partner to set up to £500,000 worth of such investments against corporation tax.

Capital allowances figure prominently in the lobbyists' submissions to the Chancellor. The CBI wants a 100 per cent depreciation allowance on the first £100,000 of investment on plant and machinery by smaller firms. The National Federation would be content with relief on £50,000 of investments, while the Union calls for increased allowances on plant and industrial buildings.

In brief...

British venture capital funds raised £330m in the final three months of 1988 to boost the total amount of money raised in the year to £659m, almost as much as the £708m raised in 1987, the industry's record year.

Companies which sponsor one of Britain's 300 enterprise agencies often want to put a representative on the agency's board but lack local managers familiar with what is involved. To help these managers and improve the quality of the agencies' boards a 41-page handbook has been prepared by Business in the Community (BIC), the agencies' umbrella organisation.

A key factor of cash flow

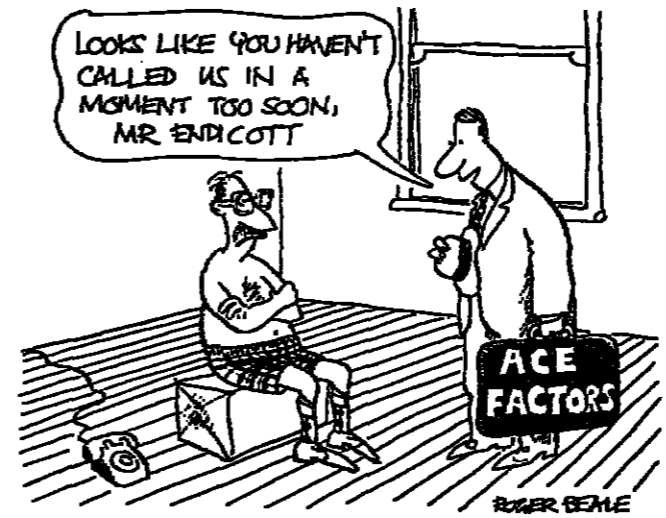
The businessman who has succeeded in getting his company established imagines life will be easier when the orders really start flowing in. The reality for many is that a strong upsurge in orders can cause a host of new problems.

Factors provide a three-fold service. They can take over the administration of their client's sales ledger, sending out invoices and making sure that bills are paid on time; provide immediate cash equivalent to up to 80 per cent of their client's invoices; and assess credit risks and provide credit insurance.

Many businessmen still resist the idea of using a factor for fear of what their customers might think. Many do so on a confidential basis so the customer never knows that a factor is involved.

A second common fear is that a factor will spoil his client's relationships with customers by using strong-arm tactics to make sure the bills are paid. Companies which use factors say they are able to agree on how particular customers should be handled and good customers with a genuine payment problem will not be harassed.

Finally, companies should beware of using a factor to disguise an underlying deterioration in their business. If turnover or profitability are falling the factor may provide short-term relief but he will not solve the fundamental problems.



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The NYNEX corporate mission is focused. We're dedicated to turning the vast potential of the Information Age into a reality for our customers, through high-quality, integrated solutions.

Business-building solutions.

As a major player worldwide, NYNEX is at the core of today's dynamic telecommunications and information opportunities.

NYNEX sees customers as anything but static. We're constantly looking for unique, results-oriented solutions to help companies grow.

When our customers succeed, we succeed.

Together, we can do it all.

At NYNEX, answering customers' needs is priority number one.

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In addition to this, we have tough-minded Quality Directors in every one of our companies.

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At NYNEX, we're not interested in anything less than the best.

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- NYNEX Information Resources publishes over 300 White and Yellow Page directories, including boating directories.

- NYNEX Materiel Enterprises Company is a major resource for customized business services—from state-of-the-art product evaluations to interactive, on-line materials management computer systems.

- NYNEX Mobile Communications Company offers cellular service for people on the move—in cars, boats, trains and buses. It's also one of the largest providers of paging services.

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To help companies with global interests, NYNEX International brings the full power of the NYNEX family of companies to bear.

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To answer it, NYNEX has created a new multimillion-dollar Science & Technology Center. The Center is a very special place. An enclave where the best telecommunications and information minds explore the leading edges of technology for our customers.

At NYNEX, the search to help our customers be the very best they can be, to realize their optimum business potential, never ends.

To us, there is no greater satisfaction than hearing one of our customers exclaim, "I didn't know I could do that!"

The dedication, foresight, and total commitment of the 92,000 people of NYNEX is why *that* is becoming a profitable everyday reality for more and more of our customers. When the question is: "Who's turning the potential of the Information Age into reality?"—the answer is "NYNEX."

Need to communicate? Need to compute? The answer is

NYNEX

LETTERS

Sticks and carrots

From Mr D.J. Cherrington... Sir, News that... sticks and carrots... support prices for wheat, barley and other arable crops.

Confusion over food safety

From Mr John Beishon... Sir, David Fishlock's interview with Dr Conning... confusion over food safety... consumers' Association.

Auctioning air waves

From Ms Philippa Marks... Sir, Your report... auctioning air waves... National Economic Research Associates.

Forecast looks warmer

From Dr Karin Wagner... Sir, Alice Rawsthorn's article... forecast looks warmer... British-German comparison.

Aerosols made safer

From Mr David Roberts... Sir, You published a report... aerosols made safer... British Aerosol Manufacturers' Association.



A trick worth two

From Ms Sarah Blackburn... Sir, Charles Leadbeater's article... a trick worth two... women's work.

To-do at the V&A

From Miss Georgina Stonor... Sir, It is surprising... to-do at the V&A... Victoria and Albert Museum.

'We NHS packhorses have this mad idea...'

From Mr Ian Gallagher... Sir, Socialists like myself... NHS packhorses... market socialism.

Byzantine way of costing the choices made... It is desirable that health care professionals should be aware of alternative costs in deciding a course of action.

Less slack at the Fed

From Mr Charles Simkins... Sir, Anatole Kaletsky draws attention... less slack at the Fed... Federal Reserve Board.

Spitting image

From Mr D. Milner... Sir, I am a high street bank manager... spitting image... Jack committee report.

FOREIGN AFFAIRS

The proper role for top nation

Edward Mortimer considers the significance of an outbreak of soul-searching among Americans

America thus became top nation, and history came to a... British readers, at any rate, will recognise the last sentence of Sellar and Yeatman's 1066 And All That.

The world gradually reverted to a more normal pattern, with a much wider (though still far from equal) distribution of economic power.

The point is not that America has got weaker, but that other and smaller powers have got stronger

when writing ephemera like this column, to focus on the most recent events and argue that the current year is likely to prove a historic turning-point.

can "wise men" of the immediate postwar period, who played the part of top nation without needing to think about it.

Iran Air ...crafted with patience and care

Advertisement for Iran Air featuring a large image of an airplane and text describing the service and safety of the airline.

ters column by a range of highly successful Americans ranging from the chairman of American Express through the vice president of the Heritage Foundation to a leading Democratic Congressman.

The point is not that America has got weaker, but that other and smaller powers have got stronger. The vacuum once filled by American leadership is no longer there.

A new tradition of care. Iran Air's professional service staff whose constant care and particular attention to detail in the air and on the ground can be relied on.

Tuesday February 28 1989

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Suez general plans winning strategy

The soft-spoken Renaud de la Geniere (left) was not bankers' choice in 1986 to become chairman of Compagnie Financiere de Suez...

Morgan Stanley pulls ahead in the capital markets race

Life has not been easy for foreign investment banks set up in Frankfurt after the Bundesbank's liberalisation of capital markets in the mid-1980s...

A hard act to follow

Between acts of God and Government, Argentine farmers are having a hard time. A severe drought in the heart of agricultural production has forced farmers to cut harvest forecasts...

Inflation cloud has a silver lining

Inflation and interest rates dominated European markets last week, but the news was not all bad. Denmark, Norway and South Africa were actually boosted by inflation developments...

Beazer sells Koppers business

Beazer, the UK house-building and construction group, has made the last major disposal of businesses in Koppers, the US chemical and aggregates company...

Market Statistics table with columns for Base lending rates, Benchmark Govt bonds, European options, etc.

Companies in this section table listing various companies like AXA, Air Call Comms, Allied Restaurants, etc.

Chief price changes yesterday table with columns for Shares, Bonds, and other financial instruments.

LONDON (Pence) table listing prices for various commodities and currencies.

Baltica buys 9% of Hambros

By Hilary Barnes in Copenhagen and David Lascalle in London. BALTICA HOLDING, parent of Denmark's largest insurance company, announced yesterday that it has acquired 9.98 per cent of Hambros...



Chips Keswick welcoming the new shareholder

Puma sells troubled US arm

By Andrew Fisher in Frankfurt. PUMA, the West German sports shoe and clothing company, has sold its troubled US operation to the local management to ensure quicker reactions to transatlantic market trends...

N-power groups in talks

By David Marsh in Muelheim. KRAFTWERK UNION (KWU), the West German power station builder owned by the Siemens electrical group, is discussing possible nuclear co-operation with Framatome...

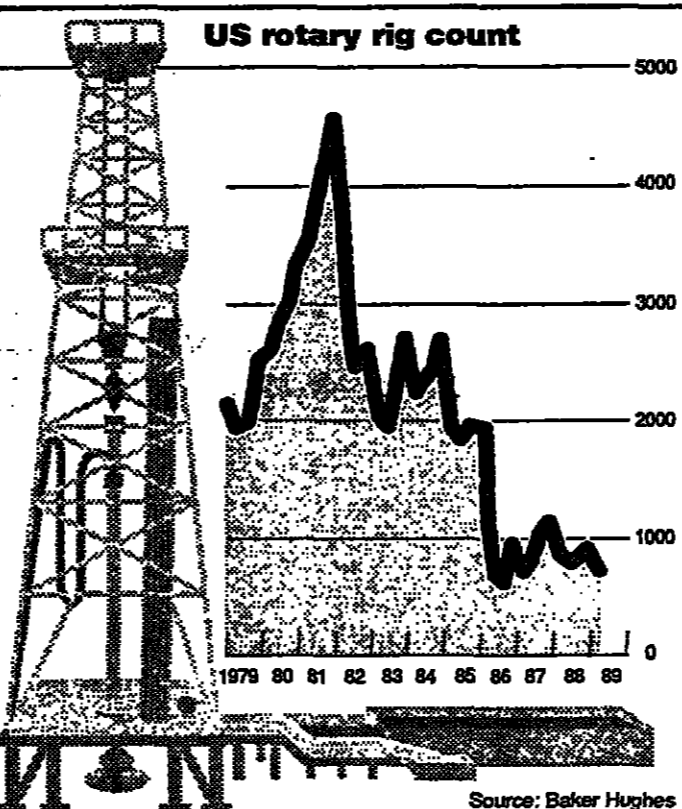
British Telecom backs management deal for Marshall

By Clay Harris in London. BRITISH & Commonwealth Holdings, the financial services group, is to sell M.W. Marshall, the world's second-largest money broker, for £174.5m (\$303m) to a management-led consortium...

Oiled up for road to recovery

James Buchanan reports from the oil services industry

OILFIELD SERVICES, one of the world's truly terrible businesses for most of the 1980s, is on the road to recovery, according to leading executives and bankers in the industry capital, Houston.



Source: Baker Hughes

now derive half their revenues from outside the US. It is increasingly independent companies that are drilling in the US. These operators, working on anything from one to 50 wells, must finance their operations internally and are more vulnerable than the majors to the vagaries of the oil price...

MIDLAND MONTAGU ASSET MANAGEMENT WOULD LIKE TO MAKE AN ANNOUNCEMENT ABOUT THEIR WORLD SERVICE. Global investment is hardly a new phenomenon but like so many things, it is the quality and depth of service that distinguishes one operator from another.

INTERNATIONAL COMPANIES AND FINANCE

Co op may cut 2,500 jobs as part of rationalisation

By Haig Simonian in Frankfurt

CO OP, the troubled West German food retailer which is now majority-owned by four international banks, might have to eliminate 2,500 jobs from its workforce of 49,000 as part of the rationalisation strategy planned to restore the group to stability.



Hans Friderichs: bank accord will cut interest bill

The issue of job cuts and future strategy will be among the questions posed at the group's press conference this morning, following the rescue package hammered out on Sunday by the group's 140-odd creditor banks.

In a five-hour meeting yesterday, Co op's supervisory board approved the banks' agreement and discussed further measures to improve the group's performance, including the problems of pay and shop location.

Further details are likely to emerge today. However, a senior representative of the HBV white collar trade union voiced opposition to the rationalisation plan yesterday evening.

This sum is to be made up in three ways:

• About 50 per cent will come from an agreement by the banks to subordinate their unsecured loans to the group, calculated on the basis of lending as at November 25 1988.

• Some 30 per cent will derive from the write-down of virtually all Co op's capital and reserves.

• The remaining 10 per cent comprises the profit over book value following the sale of Co op Industrie, Co op's food production subsidiary, to the six

"pool" banks which are co-ordinating the German company's credit.

The eventual fate of Co op Industrie remains unclear. Co op has a limited right of first refusal to buy back the group, or it could eventually be sold to a third party. However, a short-term disposal is not expected.

Co op's creditor banks have been offered alternative treatments for their unsecured lending. Banks can either "suspend" 33.3 per cent of their exposure in return for a certificate entitling them to repayment if and when the group returns to profitability. Alternatively, they can "suspend" 50 per cent of their exposure, again with profit certificates, but also with the option of converting their funds into Co op shares.

The agreement should give Co op, which is one of Germany's biggest food retailers with sales of about DM14bn last year, time to come up with a new business strategy.

Mr Hans Friderichs, Co op's new supervisory board chairman, said the bank accord will relieve the group of around DM100m in annual interest payments.

Meanwhile, the company has taken steps to reassure its suppliers regarding its credit lines following reports that some were withholding deliveries.

BNA shares suspended after 8.6% price rise

By Alan Friedman in Milan

TRADING in shares of Banca Nazionale dell'Agricoltura (BNA), Italy's biggest private sector bank, was suspended yesterday as mystery grows about the bank's future ownership and capital adequacy.

The bank's shares were suspended after a price rise of 8.6 per cent on the day, bringing the total increase in the price of BNA ordinary shares to 47 per cent over the past two months.

Credito Italiano, one of the three commercial banks controlled by the IRI state holding group, yesterday confirmed rumours that it is negotiating to acquire a 10 per cent equity stake in BNA, which at yesterday's suspension price of L13,140 per share would have a value of L1,500m (£12m).

But the announcement by Credito Italiano of its interest in BNA stock did not appear to be sufficient for Consob, the stockmarket authority, to allow trading to resume.

BNA, which is controlled by the family of Count Giovanni Auletta, has for months been under pressure from the Bank of Italy to improve its capital ratios. The bank, which refuses to disclose its capital ratios, has promised a two-stage L400m rights issue, but there is uncertainty in the market as to whether the Auletta family has the resources to subscribe its portion.

Wardle shares tumble 29%

By Clare Pearson

SHARES in Wardle Storeys, the acquisitive UK plastic sheeting and security equipment company, plunged by 29 per cent yesterday after it issued a surprise warning of a sharp fall in first-half profits, mainly because of the strength of sterling.

The company said pre-tax profits in the six months ending today would come out 25 per cent lower at about £5.8m (£0.2m).

Wardle's shares fell 189p to close at 453p.

Goodman Fielder profits down 19.5% in first half

By Nikki Tait

REDUCED contributions from equity-accounted associates and from foreign exchange gains have depressed first-half profits by nearly a fifth at Goodman Fielder Wattie, the large Australasian food group.

In the six months to December, the company made net profits of A\$80.7m (US\$66.5m), down 19.5 per cent on the A\$100.2m seen in the same period a year earlier.

The company remained tight-lipped over its 29.9 per cent holding in Banks Hovis McDougall, the British food group, for which it launched a £1.7m (US\$3m) bid last summer. This lapsed after being referred to the UK Monopolies and Mergers Commission.

Since then, initial efforts to find a suitable single buyer for the stake have proved unsuccessful, although talk of possible consortium interest has continued to circulate.

All GFW would say yesterday was that it is "presently considering a number of proposals which it has received from interested parties."

The costs of the abortive REH offer are taken below the line and total A\$26.1m.

Profits ahead of interest and tax from Goodman's trading operations are 7 per cent higher at A\$107.4m against A\$100.6m.

In Australia, the company says that increased profits from three divisions, plus White Wings Foods, were offset by reduced earnings from its margarine and oil interests. These were hit by price competition and flat consumer demand.

In New Zealand, profit from operations declined marginally, with "substantial" rationalisation costs being borne by consumer foods, cereal milling and poultry divisions. How-

ever, the Quality Bakers business and ice cream interests did well, and GFW expects the second half here to show an improvement.

Dividends and exchange gains added A\$23.5m, sharply down from the A\$45m seen last time, but net interest costs eased slightly to A\$80.8m from A\$85.7m last year. Equity-accounted profits from associate interests chipped in A\$35.5m (A\$40.5m). The reduction there, says Goodman, largely reflects the restructuring of its interest in Elders IXL, and the effective reduction in this from 15 per cent to 9 per cent.

Below the line, aside from the bid costs, GFW's 28 per cent interest in Waitaki International, a New Zealand-based meat company, has been written off at a cost of A\$14.5m, following a loss of NZ\$37.1m (US\$60.7m) in the year to last October.

Aker forced to miss dividend on poor results

By Karen Fosell in Oslo

AKER, one of Norway's largest diversified companies, has been forced to pass its dividend payment on 1988 results because a major offshore construction contract for a North Sea platform went awry and it lost money in the property sector. It paid Nkr2.50 per share on 1987 earnings.

Preliminary figures released two weeks ago saw profits, after financial items, drop to Nkr157m (£23.5m) from Nkr174m despite a 24 per cent rise in sales to Nkr16bn.

Aker lost Nkr325m on a Nkr3.5bn contract for Statoil, the Norwegian state oil company, which was for the construction and mechanical outfitting of the concrete substructure of the Gullfaks C platform. Earlier Aker said that it had underestimated the mechanical outfitting part of the work.

In addition, this month Aker announced that it is to give up its property activities gradually during 1989-90. It had already said it was to spin off Aker Eksamot, the property business, because in recent years it had become a great drain on the group's overall financial capacity.

The division saw losses, after financial items, of Nkr1m last year, against profits of Nkr115m in 1987, coupled with a decline in sales to Nkr190m from Nkr267m.

Mr Gerhard Heiberg, Aker's former leader, is to step down as president and become chairman on April 1. Mr Karl Glad, one of Norway's most influential industrialists and a senior manager, will replace him.

Orkla Borregaard, the diversified Norwegian company, said that its shareholders have approved a new class of voting shares as part of plans to increase foreign ownership in the company to 30 per cent from the current maximum of 18 per cent.

The new class of shares, comprising 2.1m shares already foreign-owned and 1m awarded on Friday on a one-for-10 basis, were quoted from yesterday and will be traded freely among Norwegian and foreign shareholders.

Amro earnings jump 22.5%

By Laura Raun in Amsterdam

AMSTERDAM-Rotterdam Bank, the second largest in the Netherlands, enjoyed a robust 22.5 per cent increase in 1988 earnings, thanks to buoyant lending and the sale of a subsidiary.

Amro lifted its 1988 dividend by an unusually large 13 per cent to Fl 5.90 a share, reflecting the healthy performance. Dutch companies generally pursue a very conservative dividend policy.

Net income jumped to Fl 587m (£285m) in 1988 from Fl 479m the year before, although per-share earnings rose a more modest 10 per cent to Fl 10.64 from Fl 9.67. The number of shares outstanding

rose sharply due to the trend-setting share swap with Générale de Banque of Belgium, aimed at an eventual merger.

Total income climbed 8 per cent, faster than expenses, which increased 6 per cent. Disclosed provisions for bad loans were maintained at Fl 600m, unchanged from 1987 as a result of the 23 per cent loan portfolio.

Mr Roelof Nelissen, chairman of Amro, yesterday described the 1988 results as "encouraging" and said the bank faced 1989 with "confidence." Responding to reports that the Amro-Générale alliance is encountering problems, he said the two partners have

"great trust that despite difficult problems the plans will be completed."

Amro's interest income rose 4.3 per cent to about Fl 2.63bn last year as lending abroad soared by more than 50 per cent and that at home by about 15 per cent. Other income nearly doubled to around Fl 982m due largely to the sale of half of Albert De Bary, a small Dutch bank which specialises in trade finance, to Deutsche Bank, and to the stronger dollar.

Commission income was flat. The balance sheet total expanded by 16 per cent to stand at Fl 165bn at end-1988, up from Fl 144bn a year earlier.

Advertisement for Springs Industries, Inc. featuring 2,300,000 Shares, Class A Common Stock, and 1,725,000 Shares. Lists various international and domestic underwriters.

Advertisement for NIPPON STEEL CORPORATION featuring U.S. \$1,200,000,000 in bonds due 1993 with warrants. Lists various international underwriters.

INTERNATIONAL COMPANIES AND FINANCE

Tough leadership at Suez silences the sniggering bankers

If he had followed the family tradition, Mr Renaud de la Genière should have become a surgeon like his father, grandfather and great-grandfather. Instead he opted for a classic French career in the public service.

Inevitably, he attended the Ecole Nationale d'Administration, the elite academy which has groomed generations of top French civil servants. He then joined the Treasury, became for 15 years "directeur du budget," and subsequently moved to the Banque de France where he was governor between 1979 and 1984.

So it was not altogether surprising to hear bankers enlarge when the quietly spoken and always-gentlemanly former central bank governor was appointed in 1988 chairman of Compagnie Financière de Suez, the large French financial group still nationalised at the time. "It's one thing being the governor of the Banque de France and another being an investment banker," was the sort of remark which bankers regularly slipped into conversation.

But in the last three years, Mr de la Genière has surprised even the deepest sceptics. He succeeded in privatising Suez in the most difficult conditions during the October 1987 stock market crash.

Within weeks, he launched his group into an epic battle for control of Société Générale

de Belgique against Mr Carlo De Benedetti and won. At the time, Mr de la Genière, underwent a serious operation, but he soon returned to help Suez absorb and reorganise the group's big Belgian investment — with a speed which again surprised the French financial establishment.

"Running this group is a new career for me. But it did not take very long to learn," Mr de la Genière said in his large office with its country house atmosphere.

"After all, when I was governor of the Banque de France I found I had to spend my time defending the franc. When I came here, I found I had to spend my time defending the Suez share price."

Mr de la Genière was governor during three French devolutions and had to battle to defend the French currency during the heady days of the first Socialist governments of 1981-83. Although he was in profound disagreement with the initial Socialist economic policies, he fought to persuade the Government to embrace a more rigorous and rational monetary policy.

His efforts were rewarded with the switch in Socialist economic thinking in 1983. But he acknowledges that he would have resigned if the Government had pulled France out of the European Monetary System.

At Suez, he was quickly

Paul Betts on how Renaud de la Genière (right), former governor of the French central bank, became a prize-fighting investment banker



called to defend the group's share price. "My first task was to prepare the privatisation of the group. When we were finally privatised, there was the stock market crash. It was not easy to persuade our new shareholders that they should continue to have confidence in the group and its medium-term prospects," he said.

Privatisation was crucial for Suez, he emphasised. But he acknowledged that it took much longer to prepare than he expected. "The market had forgotten Suez. It was also more difficult to privatise financial groups like Suez or Paribas than large nationalised industrial companies like Saint-Gobain or Compagnie Générale d'Electricité (CGE) with much greater public visibility."

Privatisation was the only way for Suez to ensure its longer-term development. "The key to our growth is our capacity to invest our capital funds and therefore our ability to increase our equity base," he explained. "Privatisation enabled us to return to the market and pursue our investment policies and development in France and abroad."

Until a year ago, Suez's portfolio was heavily weighted towards banking, which accounted for about half of the group's total assets with industry and services accounting for only about 20 per cent, insurance around 10 per cent and

property interests another 10 per cent. "Moreover, our stakes were essentially in French companies although some, like Saint-Gobain or Lyonnaise des Eaux, had extensive international operations," Mr de la Genière said.

Another characteristic of the Suez portfolio was that the group tended to own majority stakes in its banking assets, but had traditionally been a minority stakeholder in industry with shareholdings ranging from 5 per cent to 20 per cent in different industrial enterprises. "This seemed to us unsatisfactory and we wanted to change this. We felt we could play a more active industrial role if we held larger stakes in industrial groups,"

Mr de la Genière explained.

Even before its privatisation, Suez embarked on a policy of diversification to increase the group's presence in the industrial and service sector. This was one of the reasons why Suez wanted to develop a variety of businesses with La Générale without at the time taking control of the Belgian group.

"Mr De Benedetti's initiative changed this. We faced the choice of either letting Mr De Benedetti take control of La Générale, which would have put an end to our co-operation efforts with the Belgian group, or agreeing to help La Générale in its bid to thwart Mr De Benedetti. It took us about 10 days to make up our minds to fight."

But before entering the battle for La Générale last year, Mr de la Genière said Suez had to make sure that it had the financial muscle to take on the challenge. "Once we had ensured the necessary financial backing, our major risk was that our bid would not succeed. But it was a limited financial risk," he claimed.

If Suez, instead of Mr De Benedetti, had lost, it would probably have reduced its stakes — like the Italian financier whose 45 per cent shareholding in La Générale has now dropped to 15 per cent. "Even so, the risks seemed limited because La Générale was a good investment offering good medium-term prospects. And if Mr De Benedetti had won, I'm sure the Belgian group would have been very well run," Mr de la Genière said.

Although Suez ultimately paid about FF13bn (\$2.09bn) for its controlling stake in La Générale, the former central bank argues that the French group did not pay an excessive price. But he admits that there were psychological risks because the market had doubts on the operation, the ability of Suez to reach a compromise with Mr De Benedetti, and the French group's capacity for absorbing and taking charge of La Générale.

"But we reached an agreement with Mr De Benedetti, we

gave La Générale a solid Belgian base, we appointed a new managing director. Everything went very quickly," Mr de la Genière said.

For Suez, the deal accelerated its transformation from a predominantly financial group into an industrial operator. "Thanks to La Générale we have now become a more multinational group than in the past with a stock market capitalisation of around FF35bn. We have now also become an industrial operator and we intend to keep a 51 per cent control of La Générale. We are not raiders. This was a strategic operation," Mr de la Genière explained.

He added that Suez had no intention of buying a group like La Générale ever again, and that the French group was in no hurry to return to the market for new equity.

But when Suez decides to return to the market to finance its future development in two or three years time, that would involve tapping international markets far more than in the past. "Last year we did most of our fund raising in France. With our new size we cannot limit ourselves any longer only to the French market."

Mr de la Genière feels Suez, which expects to report consolidated group net earnings excluding minority interests of between FF2.1bn and FF2.5bn in 1988, now also has

a stable shareholding structure with about 37 per cent of the group's capital in the hands of friendly shareholders, another 17 per cent controlled by other known shareholders, and 4 per cent held by employees.

Mr de la Genière also wants in the medium term to expand the group's insurance activities through alliances with other French and European groups.

Although there has been speculation from time to time that the 64-year-old Mr de la Genière might step down soon, he made it clear that his succession was not an issue. He indicated that he hoped to serve a seven-year term at Suez and that "if God gives me good health, my succession is not a problem right now."

During the contest for La Générale last year, there were regular rumours of an internal battle raging between the group's four principal executives under Mr de la Genière for his throne. Mr de la Genière scoffs at all this.

"But that does not mean that we all agree about everything. Decisions are taken here unanimously but sometimes after considerable debate when everyone can put across his point of view. When I came here, I did not change the top management team because I think it is a good one, especially since it is made up of people with different characters and temperaments."

Li group bids HK\$1.44bn for Kwong Sang Hong

By Michael Murray in Hong Kong

CHEUNG KONG, the Hong Kong property company at the centre of Mr Li Kashing's business empire, yesterday announced a conditional cash offer for locally listed Kwong Sang Hong, a property development and investment company with a substantial portfolio of commercial and residential buildings.

The offer price of HK\$900 a share puts a price tag of HK\$1.44bn (US\$184.6m) on Kwong Sang Hong. During the

past few days Cheung Kong has built up its shareholding from less than 5 per cent to 27.9 per cent after buying large blocks of shares from Kwong Sang Hong directors at the offer price.

Mr Li is himself a director of Kwong Sang Hong, which has in the past been involved in several joint ventures with Cheung Kong.

The bid is conditional on gaining more than 50 per cent of Kwong Sang Hong's capital.

THE NAME BEHIND THE NAMES



Broker and joint prime underwriter in £745m acquisition of Pleasurama.

October 1988



SPEYHAWK PUBLIC LIMITED COMPANY

Arranger and agent bank for £115m Limited Recourse Medium Term Loan and arranger of the delayed drawdown interest rate swap for the development cashflow with Barclays Swaps.

December 1988



Jointly underwrote and placed £200m, in two £100m tranches, of 10% Unsecured Loan Stock 2013.

December 1988



Advisor to the company in its privatisation and arranger of £500m Multi-Option Facility.

December 1988



EUROCAMP LTD

Barclays Development Capital arranged £31.8m management buy-out from Next plc and underwrote £15m equity. BZW provided mezzanine finance.

November 1988



THE DAI-ICHI KANGYO BANK, LIMITED

Introduction to The International Stock Exchange in London.

January 1989



BARCLAYS de ZOEETE WEDD

U.S. \$125,000,000
European American Bancorp
(Incorporated in the State of New York, U.S.A.)

Floating Rate Notes Due 1992

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the three months from 28th February 1989 to 30th May 1989 the Notes will carry an interest rate of 10 1/8% per annum. On 30th May 1989, interest of U.S.\$255.54 will be due per U.S.\$10,000 Note for Coupon No. 14.

EBC Amro Bank Limited
 (Agent Bank)

28th February 1989

First Interstate Bancorp
(Incorporated in Delaware)

U.S. \$60,000,000

Floating Rate Yen-Linked Notes due 1996

For the six months 27th February, 1989 to 29th August, 1989 the Notes will carry an interest rate of 10.3875% per annum with an interest amount of U.S.\$28.03 per U.S.\$10,000 Note, payable on 29th August, 1989.

Bankers Trust Company, London Agent Bank

U.S. \$250,000,000
Canadian Imperial Bank of Commerce
(A Canadian Chartered Bank)

Floating Rate Deposit Notes due 2005

In accordance with the provisions of the Notes, notice is hereby given, that the Interest Period from September 28, 1988 to March 28, 1989 the rate for the final Interest Sup-period from February 28, 1989 to March 28, 1989 has been determined at 10 1/8% per annum, and therefore the amount of interest payable against Coupon No. 8 on the relevant interest payment date March 28, 1989 will be U.S.\$484.40.

By: **The Chase Manhattan Bank, N.A.**
 London, Agent Bank

February 28, 1989

U.S. \$500,000,000
CITICORP
(Incorporated in Delaware)

Subordinated Floating Rate Notes Due January 30, 1998

Notice is hereby given that the Rate of Interest has been fixed at 9.825% and that the interest payable on the relevant Interest Payment Date March 31, 1989 against Coupon No. 38 in respect of US\$10,000 nominal of the Notes will be US\$84.60.

February 28, 1989 London
 By: Citibank, N.A. (CSI Dept.), Agent Bank **CITIBANK**

CITICORP
U.S. \$500,000,000

Subordinated Floating Rate Notes Due October 25, 2005

Notice is hereby given that the Rate of Interest has been fixed at 9.85% and that the interest payable on the relevant Interest Payment Date March 31, 1989 against Coupon No. 41 in respect of US\$10,000 nominal of the Notes will be US\$84.82.

February 28, 1989 London
 By: Citibank, N.A. (CSI Dept.), Agent Bank **CITIBANK**

INTL CAPITAL MARKETS

Eurobonds transfixed by rising interest rates fears

By Andrew Freeman

EUROBOND markets were transfixed yesterday by the prospect of rising interest rates. The uncertain background meant that new-issue activity was light, although syndicate managers were trying to increase demand for some short-dated deals.

There was a broad consensus among Eurobond officials that borrowers might be persuaded to bring deals in short-dated paper, possibly in US, Canadian or Australian dollars. "The over-riding sentiment is a fear that we are locked into a cycle of rising interest rates and falling bond markets," said one official.

No one braved the straight bond markets, but there was a handful of new issues in the Japanese equity warrant sector as well as a callable yen-denominated deal.

Bankers Trust International was the lead manager of a ¥100m four-year issue for Shoyu Bank, which was priced at 101 1/2 per cent and carried a coupon of 7 per cent.

The bonds are callable at par after two years, while both the call and final redemption payments are based on a formula linked to the Nikkei stock index in Japan.

As with the previous bout of

callable US dollar deals, much of the paper was pre-placed in Tokyo, with only a small proportion of the deal remaining to be syndicated in London. The bonds were quoted by the lead manager at less than 1 bid, a discount equivalent to co-managers' fees. The issue proceeds were swapped into floating-rate US dollars.

INTERNATIONAL BONDS

There was some comment from rival houses that the deal did not deserve the status of a public issue because of the two-placement element and because the issuer was a Japanese company.

Three equity warrant deals were launched, although the overnight fall of the Tokyo stock market prevented a less-than buoyant backdrop. Nomura International was the lead manager of a US\$150m deal for Nippon Denko Corporation, which came with an indicated coupon of 4 1/2 per cent.

The bonds moved to a healthy bid, with the Nikkei stock index in Japan.

As with the previous bout of

issue price and syndication fees of 2 1/2 per cent. Daiwa Europe brought two issues to the market. A \$300m deal for Tokyu Land Corporation came with an indicated coupon of 4 1/2 per cent and was trading at a grey market price of 100 1/2 bid.

A \$100m issue for Nikken Chemicals had a quieter reception. The indicated coupon was 4 1/2 per cent, but the smaller issue size met less demand and the bonds were trading at a slight premium of 100 1/4 per cent.

In Switzerland, secondary market prices of selected straight and convertible bond issues were again under pressure, with traders reporting consistent nervous selling. Domestic short-term interest rates rose again yesterday by around 1/2 point.

Oesterliche Kontrollbank (OKB) 20-year 5 per cent bonds dropped to 99 1/2, a fall of 3 1/2 points on the day, in response to a rise in early January was 100 1/4. At yesterday's closing price, the bonds were yielding 5.88 per cent.

Polly Peck 6 per cent 1996 bonds fell 1 1/2 points to 94, while the recent equity-linked issue for Cerrus dropped to around less 3 1/4 bid.

NEW INTERNATIONAL BOND ISSUES

Table with columns: Issuer, Amount m., Coupon %, Price, Maturity, Fees, Book runner. Includes entries for Tokyo Land Corp., Daiwa Europe, Nikken Chemicals Co., etc.

SWISS FRANCES: KYC Machine Int'l, etc. Average price change: On day -0.4 on week -0.3

WITH equity warrants. Convertible. Final term. Redemption linked to Yen/US exchange rate. Redemption linked to Nikkei stock index. Call June 1991. Put option fixed at 103 1/2 to yield 1.917%. Coupon fixed as indicated.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on February 27

Table with columns: Bond, Bid, Offer, Change on week, Yield. Includes entries for US Dollar, Deutsche Mark, etc.

Table with columns: Bond, Bid, Offer, Change on week, Yield. Includes entries for US Dollar, Deutsche Mark, etc.

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FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday February 27, 1989. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Large table with columns: Country, Currency, Exchange Rate, D-Mark, Yen, etc. Lists rates for various countries like Afghanistan, Albania, Algeria, etc.

Special Drawing Rights February 24 1989 United Kingdom £0.75443 United States \$1.32436 Germany West D.M. 2.07423 Japan Yen/¥1 European Currency Unit Rates February 24 1989

Abbreviations: (C) Free rate; (B) Banknote rate; (C) Commercial rate; (C) Controlled rate; (E) Essential imports; (E) Exports; (N) Non commercial rate; (U) Business rate; (D) Buying rate; (L) Lending rate; (M) Market rate; (O) Official rate; (P) Preferential rate; (C) Convertible rate; (S) Paralle rate; (U) Selling rate; (T) Tourist rate.

Some data supplied by Bank of America, Economics Department, London Trading Centre. Enquiries: 01 634 3360/5. Monday February 27, 1989. Nicaragua Coricoba devalued by 15.8% on 23rd February.

Source: Reuters, Bank of America, Economics Department, London Trading Centre. Enquiries: 01 634 3360/5. Monday February 27, 1989. Nicaragua Coricoba devalued by 15.8% on 23rd February.

TRADE INDEMNITY CREDIT RISK MANAGEMENT SERVICES 01-739 4311

Advertisement for Trade Indemnity Credit Risk Management Services. Includes logo and contact information.

Advertisement for U.S. \$100,000,000 Neste Oy Floating Rate Notes Due 1994. Includes details on interest rate and agent bank.

Advertisement for U.S. \$850,000,000 Malaysia Floating Rate Notes Due 1993. Includes details on interest rate and agent bank.

Advertisement for U.S. \$125,000,000 Bank of Boston Corporation Floating Rate Subordinated Notes Due 1998. Includes details on interest rate and agent bank.

Advertisement for U.S. \$100,000,000 First Bank System, Inc. Floating Rate Subordinated Capital Notes Due 1997. Includes details on interest rate and agent bank.

Advertisement for U.S. \$250,000,000 Régie des installations olympiques Floating Rate Notes Due November 1994. Includes details on interest rate and agent bank.

Advertisement for Gulf Canada Resources Limited. Includes details on note issuance facility.

Advertisement for U.S. \$75,000,000 Province of New Brunswick Floating Rate Notes due May 1994. Includes details on interest rate and agent bank.

Advertisement for U.S. \$600,000,000 Lloyds Bank Plc. Includes details on primary capital undated floating rate notes.

Advertisement for U.S. \$500,000,000 Lloyds Bank Plc. Includes details on primary capital undated floating rate notes.

INTERNATIONAL CAPITAL MARKETS

Treasuries stabilise in run-up to GNP revisions

By Janet Bush in New York and Norma Cohen in London

US TREASURY bonds stabilised yesterday after last week's substantial losses, against a background of sharply rising short-term US interest rates and a hike in the discount rate.

At midsession, bond prices were quoted as much as 1/2 point higher in the middle of the yield curve and virtually unchanged at the very short and very long ends. The Treasury's benchmark long bond was quoted unchanged for a yield of 9.18 per cent.

GOVERNMENT BONDS

The Bank of England was reported to have bought pounds in the open market twice, first at just above DM3.18 and later at DM3.1730. Dealers said the anxiety about the weakness of the currency was compounded by weekend press reports speculating that if UK current account data due out on Wednesday showed a wider-than-expected deficit, base rates might have to rise still further.

The futures contract now in excess of the amount available.

AUSTRALIAN government bond prices rose about a quarter point during the Sydney trading day, but erased all their gains as soon as European and American investors entered the markets and noted a fall in the currency. The Australian dollar fell to about 79.35 US cents from 81.72 US cents during the trading day in Sydney, prompting the US Federal Reserve to enter the market to support it, according to currency dealers. The Fed was believed to be acting for the Reserve Bank of Australia.

IN THE West German government bond markets, prices opened 10 to 15 pfennigs weaker but recovered most of their losses to end the day virtually unchanged, aided by the stability of the currency. The Bundesbank announced a special nine-day repurchase agreement, in which DM3.9bn was allocated with no minimum bid rate. Dealers said most bids were around 6 per cent, but the move was seen as a technical reaction to end-month liquidity requirements rather than an expression of interest rate policy.

The Bundesbank also announced it would set terms for a new federal government bond on Thursday afternoon. IN FRANCE, government bond markets opened about a half point weaker but recovered after a Bank of France repurchase agreement tender yesterday afternoon left interest rates unchanged. The markets, watching rises in key interest rates in the US and possibly West Germany, had been pushing bond yields up all last week. The markets were also encouraged by yesterday's news of a sharp rise in January's consumer price index, in line with expectations.

Morgan Stanley cracks the German egg

A US foreign investment bank's delicate approach is paying off, says Haig Simonian

Life has not always been easy for the new foreign investment banks set up in Frankfurt since the Bundesbank's liberalisation of the West German capital markets in the mid-1980s. No bank claiming global coverage can afford to ignore Germany, given the strength of the D-Mark, its role as an international investment vehicle and the potential of the domestic economy. But, how to go about cracking the German egg is another matter.

At first it seemed that Swiss reserve, big capital and strong placing power would make CFB the market leader. The German arm of the Credit Suisse First Boston group and one of the earliest foreign arrivals in Frankfurt, the leading challenger to the domestic banks' power. Later, Salomon Brothers appeared to take up the banner on the basis of breadth and large-scale trading ability.

While both are keeping busy, the signs now suggest that Morgan Stanley, the most recent among the three, and certainly the most reticent, may end up posing the toughest long-term challenge to domestic financial institutions in much capital markets business. Those signs come despite the fact that the bank has been in Frankfurt only since June 1987, and still has only 53 staff well below the 1,000-odd in its employ in London. It alone at least four times that in New York. Indeed, Morgan Stanley's Frankfurt subsidiary is little bigger than its Zurich office - its only other Continental European operation. However, smallness has not prevented it from ending its first full year modestly in

profit, despite more than doubling its staff since the end of 1987 and taking extra office space. Morgan Stanley's Frankfurt office rests on three pillars: DM Eurobond new issues; institutional sales and trading, especially in equities and derivatives; and corporate finance, meaning principally mergers and acquisitions (M&A). Each is represented by a local managing or executive director, under the eye of Mr Peter Keller, who chairs its managing board.

On the bond side the bank came sixth in the DM Eurobond new issues league last year, having led six deals worth DM1.23bn (\$75m). "It would have been fifth if it hadn't been for a DM200m deal by Trinkaus & Burkhart at the end of the year," says Mr Keller. The market does notice if you're doing sizeable business," he says. While selling German equities and derivatives to foreign investors is still its main activity, there is the odd order for German shares from domestic institutions. However, "you need to take time to develop relations with large domestic accounts," he recognises.

One product, DM-denominated Japanese equity warrants, has very much caught the market's imagination. Bolstered by the fact that the warrants are issued in Tokyo, Morgan Stanley reckons it now does 30 to 35 per cent of the daily secondary market turnover in this paper in Germany. Why is this, given the growing Japanese presence in Frankfurt? Morgan Stanley stresses cohesiveness and structure. Its organisation

along product rather than strictly geographic lines has helped it avoid some of the inter-office rivalries seen in other firms - where prices are not always competitive. Mergers and acquisitions - Morgan Stanley's third business line - is sometimes more like missionary work in Germany, according to some foreign investment bankers. Many see the country as representing ideal soil for a lively M&A business, but with a lot of back-breaking ploughing still to be done.

Morgan Stanley has tried to break into both large cross-border deals involving German multinationals and smaller transactions for the Mittelstand - Germany's large number of small to medium-sized private companies - where the pickings should be rich but the going is tough. Not surprisingly, it is in the larger deals where it has scored success. The bank was involved in three of last year's biggest deals. It represented Polystar in the \$32m sale of its later division to BASF, advised and negotiated on the sale of Harris Graphics to Heidelberg Druck, and Cooper on its \$500m sale of Cooper Technicon to Bayer.

However, Mr Siegfried Drucker, who runs the corporate finance side along with Mr Keller, has also spent a lot of time trying to cultivate Mittelstand contacts. So far, 90 to 95 per cent of deals for private companies are being done without advisers, he believes. The difficulty is getting over the suspicion of many chief executives. Previous policy by some foreign banks, which have either blitzed the market and then pulled out unexpect-

edly or rotated staff too frequently for the taste of conservative German managers, has not helped. Getting the trust of medium-sized firms is a painstaking affair, with much time spent on the road. Nor are the results as automatic. Nevertheless, the bank thinks the miles of travelling will prove worthwhile in the end as Germany's first generation of post-war entrepreneurs steps down and private companies start thinking more seriously about 1992. The bank has already made some impact in advising Benckiser, a food-watching consumer products group, on buying a controlling stake in Mira Lanza, an Italian counterpart.

Are there any lessons for other new foreign investment banks from Morgan Stanley's experience in Frankfurt? Undoubtedly much of its success stems from existing advantages - not least a strong reputation and existing business relationships out of London and New York. However, Morgan Stanley is not the only house with such advantages. A number of other Wall Street houses doing German business can claim as much. Rather, image and business approach have helped - notably the reserve and budget-consciousness which go down particularly well in Germany, where long-term commitment and plugging away at clients can sometimes count for more than a flashy one-off deal.

"One of the things we have to overcome is the burden of being an American investment bank," notes one executive. "Stanley's main danger could be that it is turning more German than the Germans."

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UK conventional government

Table with columns: Coupon, Red Date, Price, Change, Yield, Week ago, Month ago. Rows include UK Gilts, US Treasury, Japan, Germany, France, Canada, Netherlands, Australia.

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Red Date, Price, Change, Yield, Week ago, Month ago. Rows include UK Gilts, US Treasury, Japan, Germany, France, Canada, Netherlands, Australia.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of equity groups and sub-sections for Monday February 27 1989. Columns include Index No., Day's Change, Est. Earnings, Gross Div., Est. P/E Ratio, and Index No. Rows include Capital Goods, Building Materials, Contracting, Electricals, Electronics, Mechanical Engineering, Metals and Metal Forming, Motors, Other Industrial Materials, Consumer Goods, Brewers and Distillers, Food Manufacturing, Food Retailing, Health and Household, Leisure, Packaging and Paper, Publishing and Printing, Stores, Textiles, Other Groups, Chemicals, Conglomerates, Shipping and Transport, Telephone Networks, Miscellaneous, Industrial Group, Oil & Gas, All-Share Index, Financial Group, Insurance (Life), Insurance (Composite), Insurance (Brokers), Merchant Banks, Property, Other Financial, Investment Trusts, Mining Finance, Overseas Traders, All-Share Index.

FIXED INTEREST

Table of fixed interest rates including British Government, British Government, 1-5 years, 5-15 years, over 15 years, irredeemables, all stocks, Index-Linked, Inflation rate 5%, Inflation rate 5%, Inflation rate 10%, Inflation rate 10%, 9 Months & Less, 10 Preference, 10 Preference.

Opening index 1988 4:10 am 1984 8:11 am 1967 3:10 am 1983 7:1 am 1985 4:3 pm 1988 7:4 pm 1992 11:45 pm 1992 10: 4.53 pm 11.52 am 11:45 pm. Highs and lows record, base dates, values and constituent changes are published in Saturday editions. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4A 3DF, price, by post 34p.

LONDON MARKET STATISTICS

RISES AND FALLS YESTERDAY

Table showing rises and falls in various market categories: Corporate Bonds, Government Bonds, Financial and Properties, Oils, Mines, and Others.

LONDON RECENT ISSUES

Table of recent issues in equities, listing issue price, amount, latest date, and stock names.

FIXED INTEREST STOCKS

Table of fixed interest stocks, listing issue price, amount, latest date, and stock names.

RIGHTS OFFERS

Table of rights offers, listing issue price, amount, latest date, and stock names.

TRADITIONAL OPTIONS

Table of traditional options, listing issue price, amount, latest date, and stock names.

LONDON TRADED OPTIONS

Large table of London traded options, including call and put options for various stocks and indices, with columns for call/put, strike price, and volume.

UK COMPANY NEWS

Goldberg lifts Tootal stake to 22%

By Alice Rawsthorn

MR ABRAHAM Goldberg, the "Mr Textiles" of Australia, has spent £10.5m to increase his holding in Tootal, the UK textiles group, from 19.5 to 22.3 per cent.

Mr Goldberg, who staged an unsuccessful bid for Tootal in 1988, began to build a holding in the group last autumn. A few days before Christmas he disclosed his interest and has since, slowly but steadily, augmented his stake.

Mr Goldberg returned to Australia but continued to buy shares in the UK group. In yesterday's transaction he bought 8m shares - at an average price of about 132p - thereby increasing his holding to 63.5m shares.



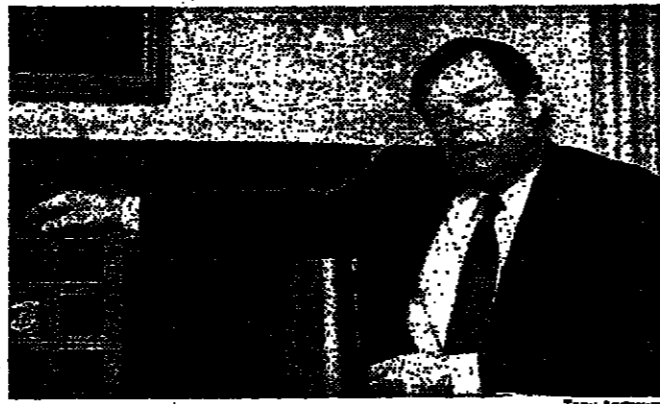
extensively restructured.

Suter reports 46% improvement to £39m

By Clay Harris

SUTER, the industrial holding company which is emerging from four months of takeover speculation, increased pre-tax profits by 46 per cent to £39m in 1988. Earnings per share grew by 24 per cent, and total dividends have been lifted by 40 per cent.

Quarter will be stunningly good," Mr Abell said. "What we're saying is that it can't continue at that level."



Mr David Abell, chairman and chief executive: Suter is determined to remain independent

Flanked yesterday by directors who tried unsuccessfully to put together a management buy-out in the wake of the collapse of Thomson T-Line's agreed £300m takeover bid, Mr David Abell reiterated that Suter was determined to remain independent and that he intended to stay as chairman and chief executive.

In 1988, the pre-tax advance from £26.7m was achieved on turnover ahead by 14 per cent to £217.8m (£190.4m). Of profits from continuing activities, £12.8m (£8.8m) came from the industrial group which includes valves, automotive components and chemicals.

Corporate activities contributed £8.3m (£6.2m). The total included share dealing profits of £2.5m to £3m and the £1.9m (£1.2m) benefit of a pensions holiday. The latter figure will be much smaller in 1989 because of a new accounting standard.

Gold Fields will send its shareholders within the next day or two a letter responding to the formal offer and recommending they do not accept.

Suter had no listed companies in its sights at present, Mr Abell said. Instead, it was in negotiations to buy up to nine private companies or subsidiaries of quoted groups across the full range of its activities. If all came to fruition, the deals would require a cash outlay of up to £80m.

Since the mid-1987 acquisition of Mitchell Cotts, the engineering and overseas trading group, Suter's disposals have raised £63m and reduced borrowings by £26m. More than 70 per cent of the total came from selling parts of MG. Operations that remain contributed profits

of £6.2m in 1988. A net extraordinary credit of £7m (£1.5m) reflected the profits from the disposal of MG's transport division and the 26 per cent stake in Avdel, the £2m in closure costs for the engine remanufacturing operation at Swindon and a £4m writedown on assets in Uganda.

Johnson Matthey, the precious metals and materials technology group, yesterday said long-running legal actions relating to an insurance claim for fire damage incurred in 1984 had been settled out of court for the sum of £29m.

Bell South in Air Call buy

BELL SOUTH, one of the US "Baby Bell" telecommunications companies, has paid £19.5m for the 60 per cent it does not already own of Air Call Communications, the loss-making UK mobile communications group, writes Hugo Dixon. The seller is Air

Call Holdings, a private company traded under the Stock Exchange's rule 588.

Mr Nicholas Stanley, managing director of Air Call Holdings, said he had decided to sell because it was difficult to finance the subsidiary as a private company.

Mr Abell said, "Both," he answers candidly. On the 1988 figures, he could afford to be a little less modest. He also correctly balances caution about prospects for 1989 with encouraging, if predictable, noises about the resilience of Suter's position. Abell tests the limits of credibility, however, by main-

Gold Fields not to rush out defence document

By Kenneth Gooding, Mining Correspondent

CONSOLIDATED Gold Fields, the diversified mining group, apparently feels under no substantial pressure to rush out its full defence document, following the posting to its shareholders at the weekend of the formal offer from Minoro, the South African-controlled investment company.

Sedgwick starts restructuring as year's profit falls by 23%

By Nick Bunker

SEDGWICK GROUP, largest insurance broker in Europe, produced fresh evidence yesterday of the recession in the industry with the announcement of a 23 per cent drop, from £101.09m to £77.5m, in annual pre-tax profits.

He said Transamerica were "excellent partners. If you asked them I am sure they would say they have no present intention of dealing in the shares."

Sedgwick is grappling with the impact of its commission income of the fall in insurance rates that started in the US market in early 1987, and has also hit the marine and aviation markets.

There has been almost universal agreement among City analysts that Minoro is not offering enough and will come back with a higher offer once Gold Fields has had time to indicate the value of its assets.

To help integrate its operations, Sedgwick said a task force led by Mr Dick Page, chairman of James, will bring together worldwide retail bro-

Earnings per share fell 25 per cent to 12.1p but the group maintaining its dividend at 12p with a final of 8p. See Lex

Wates City soars to £30.23m

By Paul Chesswright, Property Correspondent

WATES CITY of London Properties, the only listed property company with all of its assets in the City of London, yesterday announced a 31 per cent increase in net asset value per share from 202.1p to 264.8p for 1988.

Wates argues that there is no development in the City core - where most of its assets are - and that therefore the market should remain strong. This is true, but what worries investors is that occupiers might depart the core if price attractions outside became overwhelming.

Wates' shares have been savaged since the 1987 market crash. Its narrow geographical base makes it prey to any of the City's dismal whims. So, given that there are increasing worries about the amount of office space becoming available, it was unlikely that there would be any cheery about a 31 per cent NAV rise, although this keeps Wates well in line with other property investment and development companies.

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Johnson Matthey £9m settlement

By Clare Pearson

Johnson Matthey, the precious metals and materials technology group, yesterday said long-running legal actions relating to an insurance claim for fire damage incurred in 1984 had been settled out of court for the sum of £29m.

Bowater disputes bid value

By Philip Coggan

Bowater Industries, the UK packaging and industrial products group, clashed with Evode, the plastics and chemicals company yesterday, over the value of their rival bids for Chamberlain Phipps.

House Property rescue

By Philip Coggan

A COMPANY specialising in golf course development is reverting into House Property Company of London, the fully listed shell company chaired by Australian entrepreneur Mr Robert Baldock.

House Property is acquiring golf course specialist International Resort Holdings - the largest company - Fiman Properties and Flagraic for £10.5m to be satisfied by the issue of 12.11m shares.

All-round profits growth helps UTC jump 92%

By John Thornhill

UTC Group, the stockbroking and corporate finance group, lifted pre-tax profits by 92 per cent in the year to December 31 in spite of a 9 per cent fall in turnover.

The stockbroking division, which last year incurred a loss of £637,000, contributed £20,000 to profits. This reversal was attributed to management changes at the beginning of the year.

SUTER

"The Board intends to pursue vigorously the strategy which has been so successful in the past. We shall continue the development of our mainstream activities, seeking every opportunity to achieve further sustained organic growth. We shall also exploit Suter's particular skills in identifying acquisition targets and transforming acquisitions into viable businesses through a carefully planned programme of rationalisation, integration and selective disposals and through the introduction of energetic management."

"The Board is unanimous in the belief that, with its strong balance sheet, first class portfolio of businesses and exceptionally talented management team, Suter has a successful independent future for many years ahead."



Summary Unsaided Results table with columns for 1988, 1987, and Increase. Rows include Earnings per share (fully diluted), Dividends per share, Profit before tax (\$m), and Turnover (\$m).

Copies of the Full Report & Accounts 1988, which will be posted to shareholders not later than 21 April 1989, may be obtained from The Secretary, Suter p.l.c., St Vincent's, Grantham, Lincs. NG31 9EJ.

DIVIDENDS ANNOUNCED table listing companies, current payment, date of payment, and total last year.

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. §Unquoted stock. ¶Third market.

BOARD MEETINGS table listing companies and future dates.

ARROWS LIMITED advertisement for Young Company of the Year 1989 Awards, including a form for nomination and contact information.

UK COMPANY NEWS

Astra Trust makes £14m unwelcome bid for Splash

By David Waller
ASTRA TRUST, the engineering, property and financial services group, yesterday ended speculation over its intentions towards Splash Products by making a hostile £14m bid for the 1-shunt printer and copiers...

Beazer completes Koppers disposals

By Philip Coggan
BEAZER, the UK housebuilding and construction group, has made the last major disposal of businesses in Koppers, the US chemicals and aggregates company...

GF Lovell shares leap 40p as investor group buys 76.6% stake

By Nikki Tait
SHARES IN GF Lovell, the small Went-based confectionery manufacturer, jumped 40p to 260p yesterday on news that a three-man investor group, plus merchant bank Lazards, are buying a 76.6 per cent stake...

Scholes tipped for buy-out

By Clara Pearson
UNCERTAINTY ABOUT the future of Scholes Group, the electrical products manufacturer, deepened yesterday when the company added the possibility of a management buy-out to the third party offer...

Whitbread increases Vaux stake

By Lisa Wood
WHITBREAD Investment Trust, which has investments in several regional brewers, has increased its stake in Vaux, the Sunderland brewer...

Allied Restaurants profit advances 39% at halfway

IN THE 24 weeks ended December 31 1988 Allied Restaurants lifted its pre-tax profit by 39 per cent from £370,000 to £515,000...

Inishtech listing

James Crean received no acceptances for its offer for Inishtech Capital Fund, a venture capital company. The offer was a technical one, under the terms of the Takeover Code...

Manganese static at £2.3m

By Nikki Tait
MANGANESE BRONZE, the taxicab and metal products manufacturer, yesterday announced pre-tax profits virtually static at £2.3m in the six months to end January...

Simon in £0.5m double French acquisition

By John Thornhill
Simon Engineering, the acquisitive equipment, services and manufacturing group, has strengthened its interests in geophysical exploration through the purchase of two French companies...

Menzies buys Wynd-Up

By Philip Coggan
Frestwich Holdings, the leisure company, has sold Wynd-Up Distribution, to John Menzies, the retailer and newspaper wholesaler...

Purchases help Appleyard to £9m

By John Thornhill
APPLEYARD GROUP, the motor distributor, yesterday announced a 68 per cent increase in pre-tax profits to £9.9m for 1988, compared with £5.9m...

Resort Hotels bids £4.8m for spin-off company

By Vanessa Houlder
USM-QUOTED Resort Hotels yesterday announced a £4.8m recommended bid for Coastal Resort Hotels, an associated hotel group funded under the Business Expansion Scheme...

The Kingdom of Denmark Floating Rate Notes Due 1996. In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 28th February, 1989 to 31st August, 1989 the Rate of Interest on the Notes will be 10 1/2% per annum...

Wells Fargo & Company U.S. \$200,000,000 Floating Rate Subordinated Notes due 2000. In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 28th February, 1989 to 31st March, 1989 the Notes will carry an Interest Rate of 9 3/4% per annum...

Wells Fargo & Company U.S. \$150,000,000 Floating Rate Subordinated Notes due 1992. In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 28th February, 1989 to 31st March, 1989 the Notes will carry an Interest Rate of 9 3/4% per annum...

Hill Samuel Finance B.V. USS 30,000,000 Floating Rate Notes due 1996. In accordance with the provisions of the Notes, NOTICE IS HEREBY GIVEN that for the Interest Period from 28th February 1989 to 31st August 1989 the Notes will carry a Rate of Interest of 10 1/2% per annum...

FIRST BANK SYSTEM, INC. USS200,000,000 Subordinated Floating Rate Notes due 2010. Notice is hereby given that for the interest period from 28th February, 1989 to 31st May, 1989 the Notes will carry an interest rate of 10 1/2% per annum...

Notice to the holders of the outstanding 6 3/4 per cent. Convertible Subordinated Bonds due 2002 in Consolidated Gold Fields PLC. Notice is hereby given to the holders ("Bondholders") of the outstanding 6 3/4 per cent. Convertible Subordinated Bonds due 2002 ("Bonds") in Consolidated Gold Fields PLC ("Gold Fields")...

ADVERTISEMENT

Q.

Who's just 20 years old,



has a perfect memory,



twelve eyes,



and is essential to the future
of your business?



Time runs
short for
coffee
agreement
By David Bickel

Chicago

Every year we read 15,000 business publications cover to cover...

McCarthy Information, Europe's only multi-lingual business news service, is 20 years old this year. In this special supplement to mark its twentieth anniversary, Tim Owen talks to McCarthy's customers and staff about the benefits its services can bring and reports on how one man's simple idea developed into a worldwide business service.

**JOHN JAY,
CITY EDITOR,
SUNDAY TIMES**

There's a terminal on every journalist's desk at the Sunday Times, and Profile Information (which hosts McCarthy Online) is one of the facilities available from them. When it comes to McCarthy Information, however, City editor John Jay prefers to take cards.

"You can't take a computer in a taxi," he explains. "Classically, I'm having lunch with a company chairman, so on my way out I say to my secretary 'can I have the McCarthy cards and Extel cards on the company,' and then I'll just sit and read them in the taxi on my way so I'll be up to scratch on the latest developments."

As City editor, dealing mainly with quoted companies, John Jay takes the McCarthy UK Quoted Company Service, which covers all companies quoted on the London, provincial and Dublin stock exchanges, the Third Market and the USM. (The paper's industrial reporters take the McCarthy Industry Service in addition.) The cards are an essential aid for researching companies that he is going to meet or to write about, and he uses them every day of his life. "I may be writing a big feature, and I'll be wanting to check back on what happened when. Writing a brief history, I'll want to check that I've got the dates right and people's names spelt right."

Although he uses online for information on unquoted companies, or for issues unrelated to one specific company, the cards remain for him the ideal means of juggling quickly with a mass of information when a deadline is looming. "It's the flexibility. People talk about the paperless age and the advantages that it can bring, but it will actually make some things more difficult." He stacks a pile of cards on his knee and demonstrates. "Here's Morgan Grenfell..." (This is last December, a few days after the firm's announcement of 450 redundancies.) "I want to read something about Christopher Reeves and I want to check when he was ousted, and then in the next minute I want to read what the profits were for the six months to end June, and then a few minutes later I want to check the date of the Guinness scandal."

The cards, he says, are "very, very user-friendly". When researching a particular company in depth, it is not possible to scout around an online system with the same speed - particularly if he is working on a piece of text for the paper at the same time.

"We live and die by the McCarthy Information Card," he concludes. "That and the Extel card and annual report is the most important database that we have. It is critical to the success of our job."



INFORMATIONS SANS FRONTIERES

La prédominance de l'anglais en matière d'informations internationales dans le domaine des affaires est souvent une cause d'agacement et de frustration pour les personnes de langue française.

La plupart des services d'informations paraissent ne tenir aucun compte du fait que la France est l'un des principaux centres industriels et financiers d'Europe et que son importance économique se reflète dans l'influence et l'autorité de sa presse spécialisée dans le domaine des affaires.

McCarthy Information tient compte de cet état de fait et fournit des coupures de journaux provenant des principaux quotidiens français - Le Monde, Les Echos et La Tribune - ainsi que de l'hebdomadaire "La Vie française," offrant ainsi à ses clients de langue française des informations comme ils les préfèrent - en français.



MC CARTHY'S GEORGIAN HEADQUARTERS IN WARMINSTER

BEARS AND BULLS ON THE LONGLEAT ROAD

Warminster is a pleasant town of grey stone buildings, with three fine coaching inns, and a fourteenth century minster church. Longleat House, with its safari park, lies some four miles to the west. On a small rise at the edge of the town stands a Georgian manor house, and it is here that about 80 people produce the entire range of McCarthy services.

Isn't distance from London a problem for such a vital business service? According to managing director Anthony Garnett, nothing could be further from the truth. "With communications now, distance isn't anything - it doesn't matter." Chief editor Michael Ridgway agrees: "Whatever happens, we put a service out," he says. And if disaster should strike, McCarthy Information is ready to deal with it. They have a stand-by generator to run their card printing machines if there is a power cut, and they were using fax years before it began its current vogue. In Wiltshire, overheads are much lower (there was no big staff shake-out here following the October 1987 crash) and recruitment is still comparatively easy. Add to these the not inconsiderable advantage of quality of life, and you have a recipe for high productivity and a high quality service.

200 A DAY

And McCarthy's services are undoubtedly high quality. The Quoted Companies card service - still the core McCarthy product - is far from being simply an indiscriminate cuttings service. "The FT is our main source," explains Michael Ridgway, "and we take 170 to 180 cuttings a day from it - all the relevant company information, about 70-80% of the paper." Then he looks at the other papers for additional comment - 'View from City Road' or 'Armchair Investor' in the Independent, for example, or analysis in other papers additional to the FT coverage when company results come out. This adds about another 30 cuttings a day from each of the other UK national dailies without simply duplicating information already available in the FT.

"We're also fairly specific on what we're looking for from overseas papers," says Ridgway. Here the emphasis is very much on analysis and comment, and may involve a further 10 to 20 cuttings a day from a French paper like Les Echos or La Tribune. Language is not a problem for McCarthy. A member of staff on the premises reads all the German, French and Swiss papers, and with other languages such as Spanish and Italian, the company expects to recruit and train local readers in the countries concerned. Again, communications is the key, and McCarthy will take the finished product, complete with an English headline, from the local reader on disk, by fax or by post, depending on the volume of material involved.

Originality of news or comment is an essential quality that McCarthy has to take into account when looking for new foreign papers to cover.

By offering information in its original language, McCarthy is probably unique among business press monitoring services, which invariably publish in only one language.

Besides the UK quoted and unquoted company card services, McCarthy also offers company services covering Europe, North America and Australia. The European service

covers any company quoted on a West European stock exchange, and also aims to cover Europe's 5,000 largest companies whether quoted or not. The North American service reports on all companies with common shares quoted on the New York, American, Toronto or Montreal exchanges, and the Australian service does the same for companies with an ordinary share quotation on any of the Australian exchanges.

Further card services cover industries and sectors. There are services on property, energy, international banking and oil. The property service provides cuttings on both quoted and unquoted UK property companies, plus further items on the industry in general. The energy and banking services cull information on these sectors and their companies from all over the world. A Daily Oil News Digest provides London oil spot prices as well as news on production, discoveries, contracts and appointments.

In addition, a general industry service monitors over 60 areas of industrial activity. The articles extracted for this service include trade and commodity statistics, and comment on new developments. They allow the researcher to compare the performance and development of individual companies in their field of operation, and they come with McCarthy's own detailed industry classification index. Finally, customers with more specific needs than any of these can take out a part subscription, covering just the individual companies or industries that they need.

UNLIMITED ACCESS

Information on one company costs £18 a year (the minimum subscription is £90, or five companies), and Caunce explains the best strategy for deciding which companies to monitor. "If you're doing any form of competitor analysis, you must know what you're doing yourself, so that must be your first company - your base line or datum line." Then he advises looking at principal competitors, plus appropriate industry comment - a total package which could come in at well under £200 per year.

In an age where the computer dominates business information, what role can a paper-based service like this have to play? Aren't the card services becoming difficult to sell now that McCarthy's information is also available online? Not according to sales manager Julian Caunce. "The card service I would describe as a multi-access, unlimited usage database," he says. "Unlimited usage means that it doesn't cost you anything to use - multiple access means that two or three people can look at it at any one time. Another advantage is that you do know what your budget is for that year and how much you're going to have to spend."



WE LIKE TO CONSIDER OUR CUSTOMERS AS FRIENDS, SAYS MANAGING DIRECTOR, ANTHONY GARNETT.

Speed of access is, surprisingly, another reason for preferring the card service to the online. "A research department that's got a week to produce a report on a project may well prefer to use the online," says Anthony Garnett. "A stockbroker whose client rings up and says 'Can you tell me about company X?' opens the drawer and is an immediate expert."

UN SERVICIO SIN RIVAL PARA ESPAÑA

España, como miembro relativamente recién llegado a la Comunidad Económica Europea, tiene una especial importancia, no solo como un gran mercado, sino también como un poder industrial creciente.

Por lo tanto McCarthy Information, siguiendo su línea de proporcionar información competente de empresas en el idioma más apropiado, ha añadido a su lista de lectura las tres publicaciones españolas más importantes sobre economía y comercio.

Cinco Días, Expansión y Actualidad Económica, se leen en España exclusivamente para el servicio de línea directa McCarthy, que pone instantáneamente recortes seleccionados a disposición de los hispanos parlantes, no solo en España sino también en todo el mundo da habla hispana.

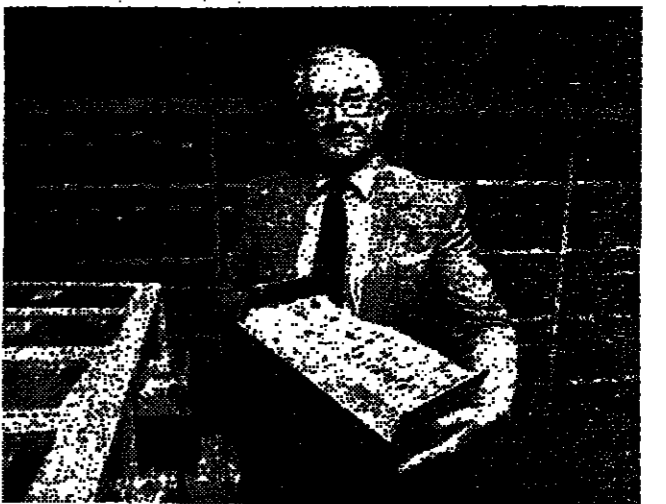
MALCOLM CAMPBELL, CITY BUSINESS LIBRARIAN

Between 600 and 700 people a day visit the Corporation of London's City Business Library, so it is an important showcase for business information products, says its head, Malcolm Campbell. "The value of a place like this is that very often you can compare one source with another if you have various sources with the same information."

The City of London's business community is the library's main group of users, but there are also market researchers, students, and private investors. "A lot of the library's users are information people themselves," Campbell points out - "librarians, information scientists and so on. Many of them are very astute, and know which things to bypass and which to take seriously."

For years, he says, McCarthy cards were on their own - there was no competition. In fact, there is still no paper product that competes with them. "There are indexes to periodicals and newspapers, but one still has then to go to the [newspaper] files themselves and find the reference. Whereas with McCarthy's you look under the name of the company and there you have press comment on that company. So it's a great time saver, covering a pretty comprehensive range of publications."

"It is the alternative to cutting newspapers and journals on a daily basis - having teams of people cutting out everything that is of interest to the organisation. This clearly is quite out of the question for a library such as this, where we are liable to be asked about any type of company, any sort of business. So we couldn't be selective, and there is no way we can cut articles and file them. McCarthy's has always done that for us ready made."



The library is one of McCarthy's oldest customers; it has taken the complete range of card services virtually since the company started 20 years ago, and it currently maintains a two-year file. Malcolm Campbell knew Stuart McCarthy, the company's founder, and kept in touch with him right up to his death. He describes him as "a charming man," and finds those good customer relations continuing today. "One feels one is a valued customer of McCarthy's," he says.

McCarthy Information takes its relations with libraries very seriously, and offers them special discounts on its products. "We are used very widely by people from the City and beyond," says Campbell, and he believes that users of the McCarthy cards in a public library often go on to subscribe directly. "In academic libraries, too, students get used to using a service of this kind," he says. "They go out into the wide world and they want to go on using it."

£	Best wishes to	£
+	McCarthy Information	+
-	on their 20th birthday	-
x		x
+		+
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=		=
£		£

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HAMLYN**
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8 St. Bride Street, London EC4A 4DA. Tel: 01-555 3020

WIE SPREEKT HIER NEDERLANDS?

Nederlands spreken ze natuurlijk allemaal. Er is echter nauwelijks nog een Vlaamse of Nederlandse zakenman te vinden die daarnaast geen vloeiend Engels spreekt. McCarthy Information ziet echter niet in waarom ze daarom uitsluitend op diensten in vreemde talen een beroep zouden moeten doen. Wat doen we dus bij McCarthy? Wij lezen en selecteren stukken uit de leidende Belgische zakenkrant De Financieel-Economische Tijd en bieden die informatie aan via onze Online Service. Op die manier levert McCarthy Information aktueel en betrouwbaar bedrijfsnieuws en commentaar voor de Vlamingen en Nederlanders in België en Nederland of waar dan ook ter wereld.

FINANCIAL WEEKLY

wishes

MC CARTHY

A Happy 20th Birthday

We break the news, you clip it!

McCarthy

FINANCIAL TIMES TUESDAY FEBRUARY 28 1989

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McCarthy Information.

...ESDAY FEBRUARY 28 1989

SERVICIO SIN RIVAL PARA ESPAÑA

...miembro representante de la Comunidad Económica... una especial importancia... mercado, sino también... crecimiento.

McCarthy Information

...de proporcionar información... ha añadido a sus publicaciones españolas... economía y comercio... y América... en España... de los datos... instantáneamente... disposición de... en España... do habla inglés

W. M. CAMPBELL BUSINESS LIBRARIAN

...a day... for... Mc... information... contact... address... phone... fax... email... website... etc.

PERFEKT HIER DERLANDS?

...information... etc.



McCarthy Information Services

McCarthy Information Ltd,
Manor House, Ash Walk,
Warminster, Wiltshire,
BA12 8PY, United Kingdom.
Tel: 0985 215151.

McCARTHY INFORMATION HAS ALL THE FACTS TO HELP YOU MAKE THE RIGHT BUSINESS DECISIONS

ADVERTISEMENT

McCARTHY'S CUSTOMERS STUDY ITS FORM

Racing tips are one service that McCarthy Information doesn't provide. Nevertheless it is to Newmarket that McCarthy annually invites customers and well-wishers, on Thousand Guineas Day – the first classic of the flat racing season. The event is the McCarthy Information Handicap, which the company is now sponsoring for its third year.

Why sponsor a horse race? "We wanted something which was slightly countryified, inasmuch as we work and live in Wiltshire," says Anthony Garnett, "but it had to be up-market, because we provide a fairly up-market product."

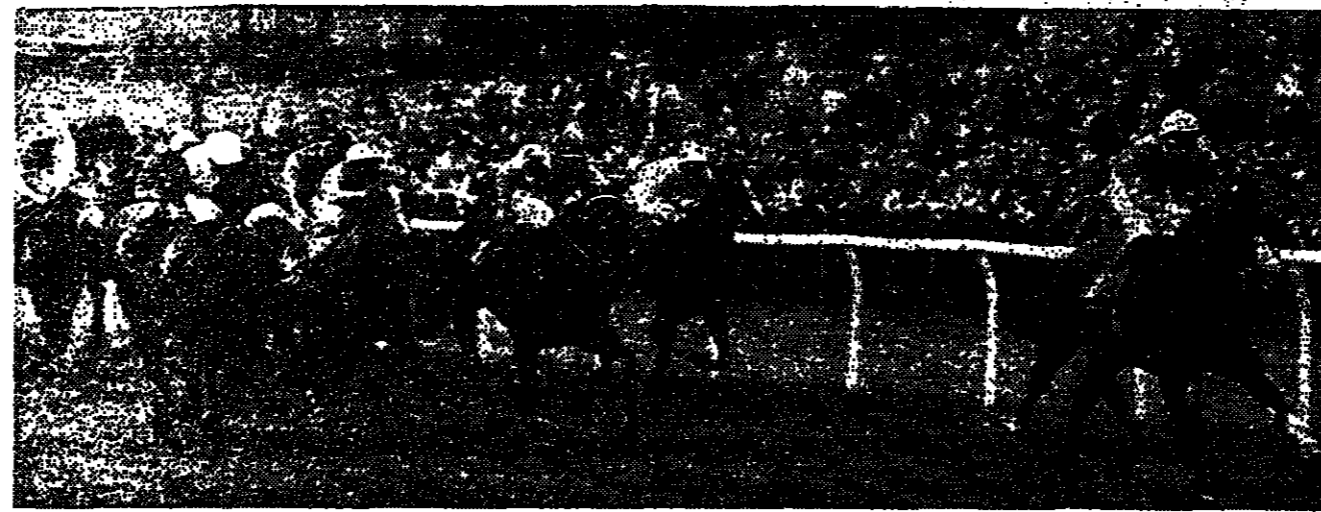
"It is our way of saying 'thank you' to existing users and getting to know prospective ones. We don't do any selling on that day – the only cards to be seen are racecards."

Part of McCarthy's success has always been its close relations with its customers. As sales manager Julian Caunce puts it, "I have one mouth and two ears." So he takes note of his customers' suggestions for new countries to cover, new publications, and he will put himself out to help with special requests. Staff will perform searches

on the McCarthy Online database on a customer's behalf, for instance, or the company will even put work out to an information broker in the interests of good customer relations. The strategy clearly pays off. Although McCarthy advertises extensively in the FT and elsewhere, much of its business – both nationally and internationally – comes from customer referrals.

The telephone rings in McCarthy's library. A customer wants to know whether he can get information on a very small company, going back 10 years. He has been unable to find anything elsewhere. Within a couple of minutes, armed only with the company's name, the back copy clerk is able to retrieve 14 McCarthy Cards, going back to 1974.

Personal service of this kind – no less than a high quality product range – helps McCarthy Information to retain its unique niche in a highly competitive market. "We like to consider our customers as friends," says Anthony Garnett. "They are our bread and butter, and we hope that we treat them in a way that makes them feel friendly towards us rather than tolerant."



MERDON MELODY WINNING THE MCCARTHY INFORMATION HANDICAP AT NEWMARKET.

ONE MAN'S SIMPLE IDEA...

In 1969, Stuart McCarthy's summer holiday in Cornwall was interrupted by an unwelcome telephone call. Computers in Business, the company for which he worked, had failed and was to be sold. The company had been set up only a year earlier to provide an online database of newspaper articles, which customers could access on terminals in their own offices. Twenty years ago the idea was far ahead of its time, and it was perhaps inevitably defeated by the shortage of suitable terminals and the high cost of storing the data. Stuart McCarthy, however, saw his opportunity. He cut short his holiday, returned to London, and bought the company.

McCarthy had been a salesman for Computers in Business, and had previously worked for IBM in the City. He knew all the buyers in the banks and stockbroking firms. He had also seen, in many of the institutions he visited, people cutting up newspapers and sticking them into files. On the day he took over Computers in Business, he stopped his staff keying into terminals and set them to work cutting papers instead. He negotiated licensing agreements with the newspapers concerned. Then he had the cuttings reproduced on sheets of paper which when folded were the same size as the widely used Xtel cards, and started selling them to his former sales contacts.

SURVIVED AND THRIVED

McCarthy Information, as he renamed the company, survived and thrived, but trouble was on the way. The stock market took a nosedive in 1974, stockbrokers were folding and merging, and Stuart McCarthy lost around 50 customers. So he moved the company to Warminster in Wiltshire, some 90 miles to the west of London, where overheads were much lower, anticipating by a decade or so the general move west of new industries and expanding companies. The only additional overhead that he had in Warminster was to drive a van to London every night, loaded with cards ready for despatch to his customers the following morning.

County NatWest
would like to congratulate
McCarthy Information
on reaching its
20th Birthday

SPRECHEN SIE DEUTSCH?
DANN AUFGEPASST!

Endlich gibt es einen internationalen Informationsdienst, der neben Englisch auch andere Sprachen berücksichtigt. Handelsblatt, Frankfurter Allgemeine Zeitung und Die Welt liefern maßgebende Fachreportagen sowie gut unterrichtete Kommentare über Firmen einer der wichtigsten Industrienationen Europas – der Bundesrepublik Deutschland – und McCarthy Information wertet alle drei aus. Für Geschäfts- und Finanzinformation aus der Schweiz bearbeitet McCarthy die Neue Zürcher Zeitung. Darüber hinaus bietet McCarthy die schweizerischen Wochenzeitungen Finanz Revue und Schweizerische Handels Zeitung, um jeden Deutsch-Sprechenden einen Service in der Muttersprache anzubieten, wie er bei keinem anderen internationalen Informationsdienst findet.

In 1978, Stuart McCarthy died and his widow Trish took over the running of the business. She sold the company to the Financial Times in 1979, thereby setting it on a new and important phase of further development.

Today, McCarthy Information employs about 80 full and part time staff, and has a turnover of more than £15 million. It has files on 16,500 companies, going back in some cases as far as 1970. It offers over a dozen different services compared to the two with which it started – on fiche as well as paper. The list of subscribers to these services reads like an international roll-call of finance, commerce and industry.

READY FOR 1992

In 1986, the original ambition of Computers in Business was realised when the company launched McCarthy Online, a service which gives customers throughout the world instant access to the McCarthy files. By December 1988, the online service contained 455,000 stories going back to October 1985. The database is currently growing at the rate of 12,000 stories a month, and McCarthy's customers spend some 250 hours a week logged on to it.

McCarthy Information has come a very long way since Stuart McCarthy's Cornish holiday of 1969. But while a twentieth birthday is an event well worth celebrating, the company is looking to the future rather than the past. The advent of the Single European Market in 1992 is now only a few years away, and McCarthy Information will play an essential part in informing people of its implications for European and worldwide business. It covers business newspapers and journals from almost every important economic region of the world, providing information in English, French, German, Spanish and Dutch. It continues to seek out new sources to add to its current reading list of over 70 publications. It keeps in close touch with its customers, with whom it enjoys friendly relations, and it takes their suggestions seriously.

Above all, McCarthy Information is backed up by the enormous information resources of the Financial Times. This both facilitates the introduction of new services, and enhances the company's already high reputation within the business community. At the same time, it lays upon it the responsibility of remaining timely, accurate, and at the forefront of new business information services. Businesses are now more aware than ever before of the necessity of keeping well informed in order to survive, whether the challenge comes from overseas competition or from the risk of takeover at home. McCarthy Information is well placed to meet this need, and can race forward to its next 20 years with confidence.

COMPLETE THIS COUPON AND SEND IT TO JULIAN CAUNCE,
MCCARTHY INFORMATION LTD,
MANOR HOUSE, ASH WALK, WARMINSTER, WILTSHIRE BA12 8PY, U.K.
TEL: 0985 215151

PLEASE SEND ME DETAILS OF MCCARTHY INFORMATION SERVICES.

NAME _____

JOB TITLE _____

COMPANY _____

ADDRESS _____

COUNTRY _____

TEL _____



McCarthy
Information
Services

HAPPY BIRTHDAY MCCARTHY INFORMATION
from
James Capel²
THE GLOBAL INVESTMENT HOUSE

James Capel & Co. Limited is a member of The Securities Association and The International Stock Exchange.
2. James Capel refers to a group of companies with offices in London and in all other major financial centres, which provide investment services in a variety of markets.

WHEN YOU NEED
TO BUY A LIBRARY...

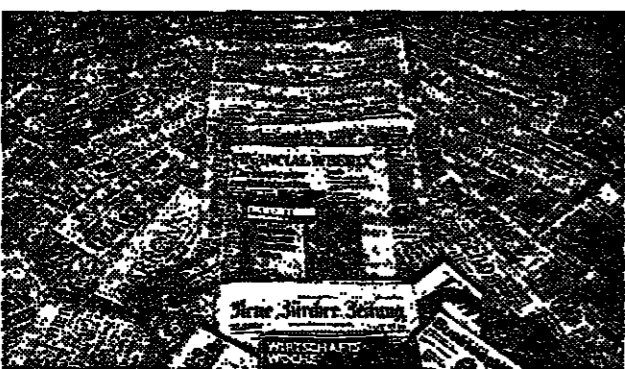
When The Independent needed an instant library for its City office it was to McCarthy Information it came, because the whole McCarthy cuttings collection is available on microfiche. The company also fishes the annual reports of 3,000 major UK quoted companies, and all the statistics that regularly appear in the Financial Times.

Anyone who has had to toil through back issues of the Stock Exchange Daily Official List looking for a share price for valuation purposes, or has needed to hunt up a particular day's foreign exchange rate, will appreciate the advantages that selective microfiche offers. Use of fiche drastically reduces a company's document storage problems. A year's supply of FTs can fill a small room, and its newsprint paper deteriorates steadily. A year's FT statistics on fiche fits into a box just 6in x 5in x 4in, and the medium is a durable one. The FT Stats Fiche service is just one of a range of archiving services that McCarthy undertakes on behalf of its customers.

Besides providing a permanent long term record, the Stats Fiche service is timely too – few fiches are despatched every week. The main service covers nine statistical series, including share prices, foreign exchanges, money market rates and the FT Actuaries Indices. An Overseas and Miscellaneous service takes in a further 13 sets of figures, including world stock markets, the international bond service, commodities, financial futures and traded options, and base lending rates.

Company accounts are relatively easy to come by in statistical summary form – several competing organisations offer this service both online and on paper. But these almost invariably exclude the details that put the flesh on the bones of the figures – the information on new product lines started, new production plants opened – even illustrations showing work in progress overseas, or the faces of key executives. All this information McCarthy captures in another microfiche service – MIRAC.

MIRAC offers on microfiche the entire contents – cover to cover – of reports from 2,800 quoted companies, and some 200 USM and OTC companies and public boards. It is information that may be common enough at the time it is actually published, but which is notoriously difficult to track down in retrospect. There may in addition be good reasons why Company A may not wish Company B to know that it is acquiring a long run of its annual reports – as a preliminary to a takeover bid, for instance. On occasions like these, MIRAC can act as the intermediary, providing the required reports in complete confidence.



MCCARTHY INFORMATION MONITORS MORE THAN 60 AREAS OF INDUSTRIAL ACTIVITY AND 70 PUBLICATIONS EVERY WEEK.

After fishing, new company reports are passed to McCarthy's editorial staff, who squeeze further juice out of them. They extract basic information for the 'front card' that accompanies many of the quoted company cards, and also for the McCarthy Company Fact Sheets database. This useful adjunct to the McCarthy Online cuttings file provides essential details of about 1,000 major companies – 900 UK and 100 foreign – selected on the basis of the Stock Exchange's six monthly market valuations. The figures given include turnover, profit/loss and earnings per share, and it is a simple matter for a stockbroker or fund manager to prepare for a search of McCarthy Online by first extracting from the Company Fact Sheets database a list showing, for example, companies which have shown a loss of more than £100 million in the past five years, or those with earnings per share of £5 or more in their latest year.

Once a year, McCarthy fishes all its accumulated company and industry cuttings. The fiche provide a historic record in an easily stored form, and are often used by McCarthy Online subscribers as a back-up to their current searching activities. In the race for immediacy and timeliness, most business information services tend to ignore the importance of archiving. McCarthy can meet the competition on currency with ease, whether through its daily and weekly card deliveries or online. In archiving, however, it effectively has the field to itself.

Best Wishes to
MCCARTHY
INVESTORS
CHRONICLE

Equities driven below FT-SE 2,000

A DEJECTED London equity market fell sharply in moderate trading yesterday as worries over domestic interest rates intensified ahead of tomorrow's announcement of the UK trade figures for January.

The market opened 31 FT-SE points off after the UK weekend newspapers had sounded the alarm over prospects for a further rise in domestic base rates should the January trade figures meet expectations.

With the New York market fairly steady in early trading, UK stocks staged a rally towards the end of the day. At its final reading of 1996.7, the FT-SE Index was 22.8 lower.

Technical factors were also adverse for equities. The first day of the trading Account brought a heavy crop of ex-dividend quotations which tend to lower market indices.

From interested parties, confirmed the view held by several analysts that the Australian group has had no luck in finding partners to join a consortium bid for RHM, and the shares closed weaker at 372p.

FINANCIAL TIMES STOCK INDICES

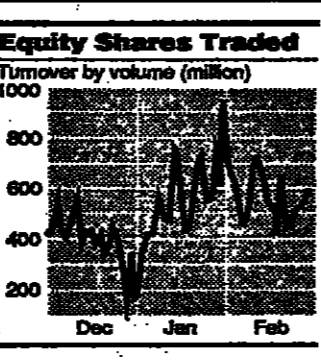
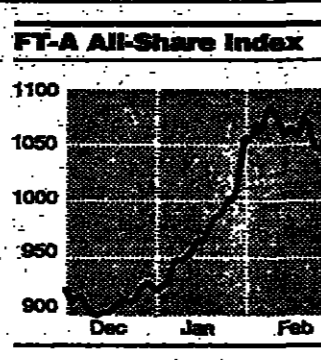
Table with columns for various stock indices: Government Secs, Fixed Interest, Ordinary, Gold Mines, Ord. Div. Yield, etc. Includes data for Feb 27, 28, 29 and historical high/low values.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various stocks including BHP, BP, British Airways, etc. Columns include Stock, Value, Price, and % change.

Beecham brush off US news

The news that Genentech of the US has been granted approval by the Federal Drug Administration for its mortality heart drug, briefly jolted Beecham. Shares in the UK pharmaceutical group, whose Emmanase product is in direct rivalry with TPA, dipped to 535p before rallying to close at 537p.



cent. Traders said it was unclear where the Baltica stock had come from and whether the Danish group's intentions were friendly.

Grand Metropolitan slipped 14 to 517p after the shares went ex-dividend and the company revealed a reorganisation of its food businesses in the wake of its recent takeover of US group Pillsbury.

Shares in small Welsh confectionery maker G F Lovell jumped 40 to 250p on the news that a 76.6 per cent stake in the company is being bought by a group of three investors led by Mr Peter Woodman.

A few small buyers helped cushion Trafalgar House against the early weakness. The shares recovered with the mid-afternoon rally and ended unchanged at 341p.

Wardle Storeys, the chemicals group, were among the market's worst performers, plunging in the wake of an announcement that group first-half profits will fall some 25 per cent short of those achieved in the same period last year.

Pharmaceuticals and healthcare stocks held firm against the market trend. Wellcome (458p), Beecham (557p), Smith & Nephew (129p), and Boots (232p) moved only a penny or two.

Sharply higher crude oil prices - April Brent was up some 40 cents around the close - failed to arrest a general slide by oil and gas issues.

Second-liner Splash Products rose 4 to 75p as the company's management rejected a hostile bid from Astra Trust, which ended a 12% bid.

There was little reaction to the announcement of an Australian group Goodman Fielder Wattle that it is having talks with several possible purchasers of its 29.9 per cent stake in UK foods group Rank Hovis Macdonald (RHM).

Wardle Storeys' share price was slashed to 405p from Friday's 542p close. They (the shares) were slaughtered to 405p, what would have been a deluge of selling on the news, said one marketmaker.

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British & Commonwealth's (B&C) success in finding an alternative purchaser for M W Marshall, the moneybroking division of Mercantile House, helped the shares weather the market storm.

Annual profits slightly better than market forecasts and sharply above those reported for the previous year failed to comfort UTC. Researchers Mr Phillip Middleton and Mr Gordon Byrne at Kitcat & Aitken, the UK broking house, believe the shares are attractive

Analysts immediately moved to cut their forecasts for the company's first half price, at 470p, a net decline of 172p on the day.

NEW HIGHS AND LOWS FOR 1988/89

Table listing new highs and lows for various stocks in 1988/89, including BHP, BP, British Airways, etc.

Abbey Life investment director

Mr Peter Brown has been appointed managing director of Wincanton Distribution; Mr Alastair Elder becomes managing director of Wincanton Transport Services; and Mr Keith House is promoted to managing director of Wincanton Milk Services.

TSB Life promotions

TSB LIFE & PENSIONS has made the following appointments in the group's drainage products subsidiary - Polybau - of Mr Graham Martin-Jones as sales director and Mr James James as production director.

ABBOTT'S

Mr Peter Shields has been appointed managing director - new business development, at FFC ENTERTAINMENT GROUP.

Mr Raymond Godson has been appointed commercial and financial director of MARINEX PETROLEUM.

Mr Jeffrey I. Perrin has been appointed finance director of RADSTONE TECHNOLOGY.

Mr John Cheese (above) has been appointed personal sector marketing director of BARCLAYS BANK.

Mr Mike McCourt has been promoted to director of MOTOROLA SEMICONDUCTOR's newly formed UK region.

Mr Nicholas Whentley has been appointed director of finance of WESSEX WATER.

Mr Raymond Godson has been appointed commercial and financial director of MARINEX PETROLEUM.

Mr Jim Banks has been appointed financial director of NIBERAK.

Mr Raymond Godson has been appointed commercial and financial director of MARINEX PETROLEUM.

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Advertisement for the German State Lottery (Staatliche Klassenlotterie). Features the headline 'INCREDIBLE BUT TRUE' and '241 Million D-Mark' equivalent to about 157 Million U.S. Dollars. Includes details about ticket prices and prizes.

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FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

AUTHORISED UNIT TRUSTS

Abbey Unit Trst Mgmts Ltd (1000H) High Income

Table listing various unit trusts under Abbey Unit Trst Mgmts Ltd, including American Growth, American Income, and American Property.

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GUIDE TO UNIT TRUST PRICING. Includes sections for Net Asset Value, Unit Price, and Dividend Payments.

Unit Trusts

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Handwritten note: "John Smith"

Main table containing unit trust information with columns for Name, Code, Price, and Yield. Includes sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-225-2128

Main table containing unit trust information with columns for Name, Price, and other details. Includes sections for 'MANAGEMENT SERVICES', 'OFFSHORE AND OVERSEAS', and 'GUERNSEY (SB REVENUE)'. The table is organized into multiple columns and rows, listing various investment funds and their performance metrics.

Handwritten signature or note at the bottom center of the page.

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various unit trusts with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections like 'ISLE OF MAN', 'OTHER OFFSHORE FUNDS', 'LUXEMBOURG', and 'OFFSHORE INSURANCES'.

LONDON SHARE SERVICE

Table of London Share Service listing various funds and shares. Includes sub-sections: BRITISH FUNDS, BRITISH FUNDS - Cont'd, AMERICANS, CORPORAION LOANS, COMMONWEALTH & AFRICAN LOANS, LOANS, and FOREIGN BONDS & RAILS.

Continued on next page

Handwritten note: 10/11/10/10

Money Market Trust Funds

Table of Money Market Trust Funds listing various funds with columns for Name, Price, Yield, and other financial metrics.

Money Market Bank Accounts

Table of Money Market Bank Accounts listing various bank accounts with columns for Name, Price, Yield, and other financial metrics.

UNIT TRUST NOTES: Proper use of unit trusts... and other explanatory text regarding unit trusts.

LONDON SHARE SERVICE

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Main table containing various stock market listings including CANADIANS, BUILDING, TIMBER, ROADS, ELECTRICALS, ENGINEERING, INDUSTRIALS (Miscel.) - Contd., BANKS, HP & LEASING, CHEMICALS, PLASTICS, FOOD, GROCERIES, ETC, BEERS, WINES & SPIRITS, DRAPERY AND STORES, HOTELS AND CATERERS, INSURANCES, and LEISURE. Each section lists company names, stock codes, and prices.

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LEISURE - Contd

Table of Leisure stocks including Leisure Group, Leisure Leisure, Leisure Leisure, etc.

PROPERTY

Table of Property stocks including Property Property, Property Property, etc.

TEXTILES - Contd

Table of Textiles stocks including Textiles Textiles, Textiles Textiles, etc.

TRUSTS, FINANCE, LAND - Contd

Table of Trusts, Finance, Land stocks including Trusts Trusts, Finance Finance, etc.

OIL AND GAS - Contd

Table of Oil and Gas stocks including Oil Oil, Gas Gas, etc.

MINES - Contd

Table of Mines stocks including Mines Mines, Mines Mines, etc.

MOTORS, AIRCRAFT TRADES

Table of Motors, Aircraft Trades stocks including Motors Motors, Aircraft Aircraft, etc.

TOBACCO

Table of Tobacco stocks including Tobacco Tobacco, Tobacco Tobacco, etc.

TRUSTS, FINANCE, LAND

Table of Trusts, Finance, Land stocks including Trusts Trusts, Finance Finance, etc.

OVERSEAS TRADERS

Table of Overseas Traders stocks including Overseas Overseas, Overseas Overseas, etc.

PLANTATIONS

Table of Plantations stocks including Plantations Plantations, Plantations Plantations, etc.

MISCELLANEOUS

Table of Miscellaneous stocks including Miscellaneous Miscellaneous, Miscellaneous Miscellaneous, etc.

COMMERCIAL VEHICLES

Table of Commercial Vehicles stocks including Commercial Commercial, Vehicles Vehicles, etc.

INVESTMENT TRUSTS

Table of Investment Trusts stocks including Investment Investment, Trusts Trusts, etc.

FINANCE, LAND, ETC

Table of Finance, Land, Etc stocks including Finance Finance, Land Land, etc.

TEAS

Table of Teas stocks including Teas Teas, Teas Teas, etc.

MINES

Table of Mines stocks including Mines Mines, Mines Mines, etc.

THIRD MARKET

Table of Third Market stocks including Third Third, Market Market, etc.

NEWSPAPERS, PUBLISHERS

Table of Newspapers, Publishers stocks including Newspapers Newspapers, Publishers Publishers, etc.

SHIPPING

Table of Shipping stocks including Shipping Shipping, Shipping Shipping, etc.

SHOES AND LEATHER

Table of Shoes and Leather stocks including Shoes Shoes, Leather Leather, etc.

OIL AND GAS

Table of Oil and Gas stocks including Oil Oil, Gas Gas, etc.

FINANCE

Table of Finance stocks including Finance Finance, Finance Finance, etc.

AUSTRALIANS

Table of Australian stocks including Australians Australians, Australians Australians, etc.

PAPER, PRINTING, ADVERTISING

Table of Paper, Printing, Advertising stocks including Paper Paper, Printing Printing, Advertising Advertising, etc.

SOUTH AFRICANS

Table of South African stocks including South South, Africans Africans, etc.

TEXTILES

Table of Textiles stocks including Textiles Textiles, Textiles Textiles, etc.

REGIONAL & IRISH STOCKS

Table of Regional & Irish Stocks including Regional Regional, Irish Irish, etc.

TRADITIONAL OPTIONS

Table of Traditional Options including Traditional Traditional, Options Options, etc.

PROPERTY

Table of Property stocks including Property Property, Property Property, etc.

Notes and disclaimers regarding the data provided.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound begins a testing week

STERLING WEAKENED despite intervention by the Bank of England yesterday. The pound suffered from a loss of confidence ahead of tomorrow's UK trade figures, and a narrowing of London's rate advantage over Frankfurt and New York.

The West German D-Mark returned to favour as high yielding units, like sterling and the Australian and Canadian dollars, faltered.

The D-Mark also gained from speculation about a rise in interest rates at Thursday's Bundesbank council meeting. Sterling weakened on this threat to London's interest rate advantage, with the present week a particularly testing time for the pound.

Table with columns for currency, rate, and change. Includes Sterling Index, CURRENCY RATES, and CURRENCY MOVEMENTS.

Table with columns for currency, rate, and change. Includes OTHER CURRENCIES.

Table with columns for currency, rate, and change. Includes MONEY MARKETS.

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some as a warning not to go short of the pound at the present level. If the current account deficit is towards the lower end of the forecast range the pound is likely to rally, and if it is not the Bank of England has plentiful reserves, plus the weapon of higher interest rates, to defend sterling.

After touching a low of DM3.1650, the pound finished at its lowest closing level against the D-Mark since late November, at DM3.1700 on Friday. Sterling also fell 80 points to 1.7450 and declined to Y220.75 from SF221.25; and to FF10.7975 from FF10.8900. According to the Bank of England the pound's exchange rate index fell 0.8 to 85.7.

Other high yielding currencies were also weak. The US Federal Reserve intervened in New York, to support the Australian dollar, on behalf of the Reserve Bank of Australia. The

Table with columns for currency, rate, and change. Includes EMS EUROPEAN CURRENCY UNIT RATES.

Table with columns for currency, rate, and change. Includes DOLLAR SPOT-FORWARD AGAINST THE DOLLAR.

Table with columns for currency, rate, and change. Includes EURO-CURRENCY INTEREST RATES.

Table with columns for currency, rate, and change. Includes EXCHANGE CROSS RATES.

Table with columns for currency, rate, and change. Includes FT LONDON INTERBANK FIXING.

Table with columns for currency, rate, and change. Includes MONEY RATES.

Table with columns for currency, rate, and change. Includes LONDON MONEY RATES.

FINANCIAL FUTURES

Active trade as sterling falls

TRADING WAS very active on Life yesterday. The futures market saw turnover of more than 125,000 contracts, with short sterling showing record volume of an estimated 51,565 lots, against the previous peak of 47,161 on November 25.

The earlier record was achieved at a time when the pound was rising sharply against the D-Mark, but yesterday's high volume was for the opposite reason.

Confidence evaporated as sterling lost ground on the foreign exchanges. Short sterling futures, for March delivery, fell to 86.46 from 86.77. The close was only slightly off the day's low of 86.40, and discounts a Libor rate of over 13% per cent at delivery on March 15. The closing level of 86.63 for June

Table with columns for currency, rate, and change. Includes FTSE 100 INDEX.

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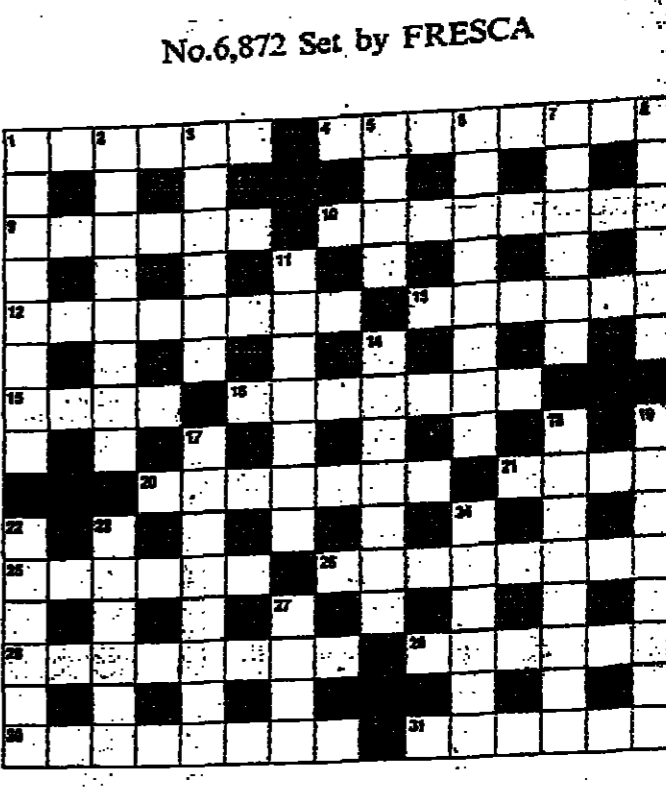
Table with columns for currency, rate, and change. Includes LIFTS AND PUTS FUTURES OPTIONS.

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Table with columns for currency, rate, and change. Includes LIFTS AND PUTS FUTURES OPTIONS.

CROSSWORD



ACROSS 1 Sir Henry - m-music maker? (6) 4 Plant, resembling a container like this? (8) 9 Go round to view ring in royal gallery (5) 10 Snake gets on wrong train, one hopes (8) 12 Extra-recreational one taking leave, after mischief doer makes complaint (8) 13 Acrimonious marsh bird, tailless (6) 15 See 5 16 Merged with a sodder sign it is most impractical (7) 20 Schöler locked in an out-house, embarrassed (7) 21 See 7 22 Tree yielding one current after another - a very good natural (6) 23 Hygiene problem approved - quite unusual in such a shop (6) 24 Symbolic tale puts everybody on line, self included (6) 25 (Overseer) to sit (6) 26 Young painter (5) 30 Change of involving fish in stress (6) 31 Sports equipment takes off on fifth of August (6)

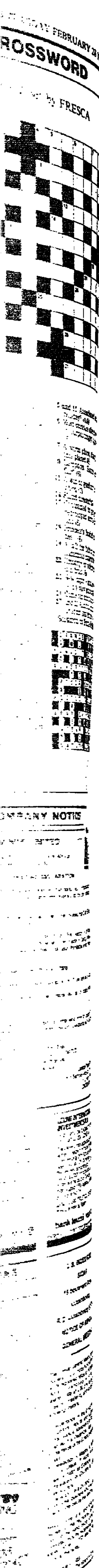
COMPANY NOTICES

BEATRIX MINES LIMITED (Incorporated in the Republic of South Africa) Registration No. 77/221390/6 DIVIDEND DECLARATION NOTICE IS HEREBY GIVEN that an interim dividend of 7.50 cents per share has been declared, payable to members registered as of the close of business on 17 March 1989.

CLAL FINANCE N.V. US \$20 MILLION GUARANTEED FLOATING RATE NOTES 1989-1993 The interest rate applicable to the above Notes in respect of the period commencing 20th February 1989 will be 11 1/4% per annum.

U.S. INDEX FUND SICAV 18 boulevard Royal, Luxembourg R24716 R.C. Luxembourg R24716 NOTICE OF ANNUAL GENERAL MEETING The Annual General Meeting of shareholders of U.S. Index Fund will be held at the registered office at 18, Boulevard Royal, Luxembourg on Friday 17th March, 1989 at 2.30 p.m. for the purpose of considering and voting on the following matters:

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WORLD STOCK MARKETS

Table of stock market data for Austria, including company names like Austria Energie, Austria Telekom, and their respective prices and changes.

Table of stock market data for France, including companies like Air France, Bouygues, and their market performance.

Table of stock market data for Germany, including companies like Deutsche Telekom, Volkswagen, and their stock prices.

Table of stock market data for Italy, including companies like IRI, Eni, and their market values.

Table of stock market data for Japan, including companies like Dai Nippon Printing, Daiwa Kangyo Bank, and their stock prices.

Table of stock market data for the Netherlands, including companies like KLM, Philips, and their market performance.

Table of stock market data for Norway, including companies like Statoil, and their stock prices.

Table of stock market data for Spain, including companies like Telefonos de Espana, and their market values.

Table of stock market data for Switzerland, including companies like Swissair, and their stock prices.

Table of stock market data for Sweden, including companies like Volvo, and their market performance.

Handwritten text at the top center of the page: 'World Stock Markets'.

TORONTO 2pm prices February 27. Table listing various Canadian stocks and their prices.

CANADA. Table listing various Canadian stocks and their prices.

NEW YORK DOW JONES. Table showing the Dow Jones Industrial Average and other market indices.

INDICES. Table showing various international stock indices and their values.

NEW YORK ACTIVE STOCKS. Table listing active stocks in New York and their prices.

CANADA. Table listing various Canadian stocks and their prices.

TOKYO - Most Active Stocks. Table listing the most active stocks in Tokyo.

Advertisement for Financial Times, featuring the headline 'Your FT hand delivered in Germany' and '12 FREE issues'.

NOTES - Prices on this page are based on the individual companies and are not based on the FT index. All prices are in US dollars unless otherwise stated.

2pm prices February 27

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices, organized into columns with headers like 'High', 'Low', 'Open', 'Close', 'Change', and 'Volume'. Includes various stock symbols and their corresponding market data.



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NYSE COMPOSITE PRICES

OVER-THE-COUNTER

Nasdaq national market, 3pm prices February 27

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Main NYSE Composite Prices table with columns for stock symbols, prices, and changes. Includes sub-sections for 'Continued from previous page' and 'Sales figures are unofficial'.

Over-the-Counter table listing various OTC stocks with their respective prices and market data.

AMEX COMPOSITE PRICES

AMEX Composite Prices table listing stocks traded on the American Stock Exchange.

Continuation of OTC table with additional stock listings and market data.

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